FINANCIAL TIMES

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Italian steelmakers face the moment of truth, Page 3

NEWS SUMMARY

GENERAL

General sues against dismissal

Gen Günter Kiessling, the dismissed deputy supreme commander of Nato, yesterday filed a suit against his premature retirement.

The action, brought before a Cologne court, is the general's latest move in a campaign to clear his name of allegations of homosexuality.

Evidence that he had visited homosexual bars in Cologne was the main factor prompting Defence Minister Manfred Wörner to remove him, on the grounds that he was a security risk. Page 2

Milan agent arrested

Milan magistrates investigating the 1982 collapse of Banco Ambrosiano ordered the arrest of prominent stockbroker's agent Sig Aldo Ravelli, 71, on allegations of having illegally transferred $6m out of Italy.

Nigeria holds 460

Nigeria's military rulers said 460 former politicians and holders of public office had been detained throughout the country since the New Year's Eve coup.

Italy editor convicted

A Rome court convicted Alberto Cavallari, editor of Italy's biggest newspaper Corriere Della Sera, on charges of aggravated defamation of Premier Craxi's Socialist Party and sentenced him to five months in prison. He will appeal.

Beirut schools close

Schools and universities in Beirut were closed yesterday as a mark of respect for assassinated American University president Malcolm Kerr, gunned down near his office on Wednesday.

Australian threat

Australian authorities were on alert after a threat to release foot and mouth disease among cattle unless prison reforms were carried out in Queensland.

Executions in Andes

Fifteen people, including a local governor, were executed by Maoist guerrillas in the village square of Cangallo in the Andes, in a campaign against Peru's Government.

Rangoon train bomb

A bomb exploded in a suburban train in Rangoon, injuring several people. There was no immediate indication if a rebel group fighting for autonomy from Burma's Government was responsible.

New Tory revolt

Three Conservative MPs voted against UK Government and several others abstained over proposals to cut housing benefit. Government majority was 132 despite third revolt by Tory MPs in four days. Heath delivers double blow, Page 8.

Addict son killed

A Milan court sentenced a woman to 6½ years in prison for mortally slashing her drug addicted son with a knife while he was asleep to "end the interminable suffering of the family."

Briefly . . .

Death toll in south Japan's Mi-Ike mine disaster was 83.

Construction of a barbed-wire fence on India's border with Bangladesh will start in March

Tasmanian tiger thought to have died out in 1936, was sighted by a wildlife ranger.

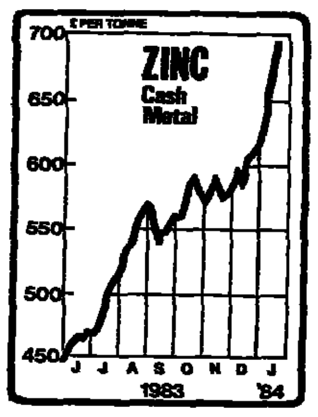
BUSINESS

Improved offer on Yugoslav debts

YUGOSLAVIA'S commercial bank creditors have offered the country a "significant improvement" in terms for rescheduling $1.35bn to $1.6bn in debt falling due this year. Page 20

UK FIGURES published yesterday paint a buoyant picture of economic recovery, with companies' income up by 47 per cent in the first nine months of 1983. Page 20

ZINC VALUES on the London Metal Exchange rose to 9½ year highs following a rise in the European price, but eased in later trading. Page 40



WALL STREET: Dow Jones industrial average was down 3.35 at 1,266.02 at 1.30pm. Report, Page 31, full share listings, Pages 32–34

LONDON: FT industrial ordinary index rose 2.7 to a record 823.9. Government securities showed little movement. Report, Page 35, FT Share Information Service, Pages 36–37

FT-ACTUARIES All Share index constituents were reduced from 750 to 748. Page 35

TOKYO: Nikkei Dow index fell 1.82 to 10,098.41. Stock Exchange index rose 1.79 to 763.26. Report, Page 31, leading prices, other exchanges, Page 34

DOLLAR fell to DM 2.791 (DM 2.8075), SwFr 2.222 (SwFr 2.233), FFr 8.5425 (FFr 8.59) and Y233.2 (Y233.6). Its Bank of England trade-weighted index was 131 (131.7). Page 41

STERLING rose 60 points to $1.419 but slipped to DM 3.9625 (DM 3.97), SwFr 3.155 (SwFr 3.1575) and FFr 12.1175 (FFr 12.135), while rising to Y331.25 (Y330.5). Its trade-weighted index was 82.3 (82). Page 41

GOLD rose $5¾ in London to $374¾. In Frankfurt it rose $6¼ to $375 and in Zurich $5¾ to $374¾. Page 40

DUTCH budget deficit was Fl 2.75bn ($870m) less than forecast.

SPAIN'S current account deficit for 1983 was $2.3bn compared with $4.1bn in 1982. Page 2

NICARAGUA'S growth in 1983 was 3.3 per cent, one of the highest in Latin America, the Trade Minister said.

COMPANIES

PFIZER, the U.S. drugs and chemicals concern, reported a sharp rise in fourth quarter earnings to $119.2m ($93.2m).

SEAT, Spain's state-owned car marker, is to be headed by Juan Diaz Alvarez following the resignation of Juan Antonanzas.

PARENCO, the Dutch state-controlled paper maker poised to take over France's Chapelle Dalbay, is itself set to be taken over by Haindl of West Germany. Page 21

Publisher's Notice

We regret some of our regular features are not included in this edition, because of communications difficulties between London and Frankfurt.

U.S. calls for new curbs on high-tech sales to East bloc

BY DAVID BUCHAN, EASTERN EUROPE CORRESPONDENT, IN LONDON

The U.S. Commerce Department yesterday published new draft rules to reduce the risk of militarily-useful high technology being diverted to the Soviet bloc from third countries outside the Western alliance.

The proposed rules, which would narrow the scope and destination of U.S. goods exported under the general "distribution" licences used by America's 700 major exporting companies, are open for 30 days to public comment.

A lively reaction is likely in the U.S. and abroad from companies facing possible extra licensing delays and paperwork.

Officials said in London last night Mr Norman Tebbit, the UK Trade Secretary, might want to query in talks in Washington next month the apparent consequences of the new draft licensing rules requiring British buyers of U.S. goods to provide Washington with information four times a year on all their Third World customers.

A second issue for Mr Tebbit will be IBM's recent reminder to its UK clients that current U.S. law controls all resale or re-use of sophisticated IBM equipment anywhere.

High-powered computers are controlled by individual, not general, licences.

The two issues stem from the perception by the Reagan Administration that the Soviet Union and its allies are increasingly bent on acquiring, legally or illegally, Western civil electronics to adapt to Warsaw Pact weaponry.

The U.S. is also concerned that as it negotiates with its Nato and Japanese partners in the Paris-based Coordinating Committee (CoCom) to tighten existing bans on legal sales of high technology, the Soviet bloc will try to get the embargoed equipment indirectly through the Third World.

"Distribution" licences are granted for two-years to cover multiple shipments by a U.S. company to a foreign customer, and they have been the major vehicle for speeding export licensing of U.S. advanced technology.

Mr William Archey, head of the Commerce Department's export control office, said yesterday, however, that in the 1970s "the distribution licence system was liberalised too much. We need to bring some of the original requirements back."

The draft rules appearing in yesterday's U.S. Federal Register would:

- Prevent a new range of technology, such as semiconductor making equipment, lasers, electron beam recorders and some compact computers, being shipped from the U.S. under a distribution licence to destinations outside CoCom member countries, and Australia and New Zealand.
- Require those buyers of U.S. goods outside CoCom and Australia and New Zealand to supply information every three months on all their final customers. CoCom country buyers of U.S. goods shipped under a distribution licence would have to give details of their customers outside the CoCom area.

Behind these seemingly arcane changes lies a bitter internal struggle for institutional control of U.S. export restrictions.

Mr Archey said yesterday the new draft changes had been in the works since last March and were unrelated to the VAX incident. The proposals are being seen, however, as a Commerce Department bid not to lose its export licensing function to the Treasury, as the Defence Department hopes will happen when Congress renews U.S. export legislation next month.

Gromyko rules out return to Geneva

By Bridget Bloom and Anthony Robinson in Stockholm

MR ANDREI GROMYKO, the Soviet Foreign Minister, yesterday told Western Foreign Ministers that Moscow would be willing to resume conventional arms control talks in Vienna "at a suitable opportunity."

But he killed any lingering hopes that the Soviet Union would return to the Intermediate Nuclear Force (INF) talks in Geneva.

Polish and Czechoslovak diplomats later said that the most likely date for the resumption of the 19-nation Mutual and Balanced Force Reduction (MBFR) talks in Vienna was around March 15.

The talks, which have dragged on for a decade, were suspended in mid-December when Warsaw Pact members declined to set a date for their resumption.

This was clearly linked to the earlier Soviet walk out from the INF talks on November 23, following deployment of the first U.S. cruise and Pershing missiles in West Germany and the UK.

Indications that Moscow is now actively considering a return to the MBFR talks is seen as a gesture indicating its desire to keep open the multilateral Vienna talks as well as the present Stockholm conference on disarmament in Europe as channels of communication with the West.

In a day in which bilateral meetings in the margin of the CDE, were more important that its public session, Mr Gromyko yesterday made it plain to every Western minister he met that Moscow considers the INF talks dead.

There is less certainty, however, about the Soviet attitude towards the other bilateral talks with the U.S. on reducing strategic nuclear arms (Start). Mr George Shultz, the U.S. Secretary of State who left yesterday morning for a brief visit to Oslo, was quoted on his arrival in the Norwegian capital as saying there had been "no movement on the subject."

While it is suggested that Mr Shultz put forward some new ideas during his five hour long talks with Mr Gromyko on Wednesday, which might help reopen the MBFR and Start talks, the U.S. is not yet officially entertaining the possibility of merging the INF with the Start talks. This is often suggested as a face-saving device, for getting Moscow back to nuclear arms control negotiations.

Continued on Page 20

U.S. hopes for more meetings, Page 2

GM small car plan hit by import curbs

BY KENNETH GOODING IN LONDON

GENERAL MOTORS' ambitious plan to capture a major share of the small car market in the U.S. has been dealt a serious blow because it will not be able to import as many cars as it wanted from Japan.

Under the terms of the import restrictions agreed between the U.S. and Japan for the year beginning in April, GM's two Japanese associates will be allowed to export only about a quarter of the planned number. Isuzu has a quota of 50,000 and Suzuki 17,000.

GM wanted to import 200,000 cars Isuzu plus 70,000 from Suzuki for sale through its Chevrolet network in the U.S. as part of a drive to sell 1m small cars.

The U.S. group, which already owned 34 per cent of Isuzu, lent the Japanese company $200m towards the development of the car to be sold in the U.S. Conversion of that loan will increase GM's shareholding to 43 per cent next month.

To cement its deal with Suzuki, GM pumped about $36m into the company in exchange for 5.3 per cent of its equity.

Suzuki has subsequently spent about $171m on a new assembly plant exclusively for the so-called SA310 at Kosai, near Tokyo. Suzuki is selling the car in Japan and Europe but about half the output was destined for GM in the U.S.

Mr Roger Smith, chairman of GM, said recently that if the two companies were not permitted to ship cars to the U.S. because of the quota system "there will be two companies in Japan that probably are going to be in serious financial difficulties."

Mr Smith said yesterday the quota share for Isuzu and Suzuki was a "very big disappointment to us."

He added: "It is a possibility – I won't say it's a probability – that GM might not import any cars from the Japanese companies in view of the quota restrictions."

Mr Smith said GM had considered the possibility of distributing the smaller number of cars in selected regions rather than nationally. But this would produce problems about servicing the cars in those areas where they were not on sale.

GM was looking for alternatives to fill its small car needs, he added.

According to Japanese motor industry sources the 1983-84 allocations for the other Japanese companies are: Toyota 551,300 (up from 516,659), Nissan 427,100 (456,030), Honda 372,400 (349,631), Toyo Kogyo (Mazda) 173,300 (159,282), Mitsubishi 122,400 (112,584) and Fuji (Subaru) 75,300 (70,000). The total rises to 1.85m from 1.63m in the current year.

General Motors has agreed a £1m deal over four years to sponsor the Football Association in Britain. The FA Cup, the UK's premier competition, is excluded from the deal. Details, Page 6

BL truck division to cut 1,000 jobs

BY OUR MOTOR INDUSTRY CORRESPONDENT IN LONDON

LEYLAND TRUCKS, the subsidiary of the British state-owned vehicle group, BL, is to make 1,057 workers redundant at three of its plants: Albion in Glasgow, Leyland in Lancashire and Scammell at Watford, north of London.

It was also made clear last night that the 1,800 jobs at the Bathgate plant in central Scotland were in the balance.

Leyland said a review of the operations at Bathgate would continue for "several weeks" and agreed that redundancies there could not be ruled out.

Unions fear that Bathgate, which makes Leyland's export trucks, the Landtrain and Landmaster, will be shut down permanently. A £30m investment programme to introduce production of a new diesel engine in co-operation with Cummins, the U.S. group, was frozen in December, pending the outcome of the current review.

Mr George Younger, Scottish Sec-

Continued on Page 20

LEYLAND VEHICLES – OUTPUT

1979	30,137
1980	22,853
1981	13,852
1982	14,250
1983	11,000*

Estimate*
Source: Society of Motor Manufacturers and Traders.

Discord over move to cancel IMF meeting

BY STEWART FLEMING IN WASHINGTON AND MAX WILKINSON IN LONDON

A DISPUTE between some industrial nations and the third world about whether to hold a meeting of the International Monetary Fund this spring was brought into the open yesterday.

Mr Willy de Clercq, the Belgian Finance Minister and chairman of the Fund's Interim Committee appealed yesterday to those countries including the U.S. which are opposing the meeting, to change their minds.

Mr de Clercq said at his home near Brussels yesterday that there had been a feeling among some countries that a meeting was not needed. "But I think there should be a meeting, if only to discuss the prospects for the world economy in the present improved climate, and the policies needed to sustain recovery."

Opposition to the meeting has come from a number of developed countries including the U.S., Britain and West Germany.

Officials from these countries say such a meeting would be pointless because they have nothing to discuss which could not be postponed until the Fund's annual meeting in the autumn.

However, the interim committee meeting is an important forum for the developing countries, which hold their own conference before the main session to discuss world economic policies. They are also anxious about the fate of the meeting of the Development Committee of the World Bank, which discusses aid for the Third World and which is also held at the same time.

The developing countries, backed by France and some other richer nations would also like to press for a new allocation of Special Drawing Rights (the Fund's reserve currency), to help international liquidity. However, the U.S. and most of the other major powers are opposed to any large hand-out of liquidity at present.

However, the industrial countries are not eager at present to pursue discussions on the next round of support for the International Development Agency, the World Bank's soft loans arm.

This is because the U.S. has shown great reluctance to increase its support for the IDA beyond a bare minimum. In the run-up to the U.S. Presidential election, other nations see little prospect that the U.S. will alter its position

Hungary reveals goals, Page 2;
Better Yugoslav terms, Page 20

Japan restricts spending rise to ½% in next financial year

BY JUREK MARTIN FAR EAST EDITOR IN TOKYO

JAPANESE Government spending will rise ½ per cent in the fiscal year beginning in April, the smallest percentage increase since 1955, the Finance Ministry announced yesterday.

The Ministry predicts outlays in the general account budget of Y50,630bn (about $217bn), gross revenues of a fraction under Y38,000bn and a consequent deficit, to be covered by government bonds, of Y12,660bn, Y680bn less than in the current year.

In a classic compromise, defence spending is projected to rise by a little more than 5 per cent, rather closer to the 4.1 per cent recommended by the Ministry itself than the 6.8 per cent requested by the Self-Defence Agency. This will bring defence spending close to 1 per cent of gross national product, which is a political flashpoint in Japan.

The budgetary details may yet be changed, though largely at the margin, in subsequent intra-governmental debates and by the Diet, which is due to reconvene early next month.

The actual numbers come as no surprise. Consumed with the problems of a substantial structural fiscal deficit, it has long been apparent that the Government would adopt an austere policy and that the economy would be permitted to recover largely under its own steam.

This it may do well enough to generate somewhat greater tax revenues than the ultra-cautious Ministry projects. As it is, increases in consumption taxes are planned to offset the Y1,200bn direct tax cuts due to take effect on April 1.

Like the budget, these tax increases are not yet set in concrete, with Japansese industry lobbying against some of them. Its protests were joined yesterday by the European Community, which has lodged a formal objection to the proposed higher taxes on wine and spirits.

The Government also finally adopted yesterday an "economic outlook" envisaging real growth in GNP in the 1984 fiscal year of 4.1 per cent, compared with an expected 3.4 per cent expansion in the current year.

This official projection is 0.1 per cent under that originally advanced by the Economic Planning Agency and is also 0.1 per cent below the average growth forecast of 20 leading private economic research institutes. Consumer prices are expected to rise 2.8 per cent, and unemployment to average 2.5 per cent.

Externally, the Government expects very little change in both the trade and current account surpluses, estimated at $34bn and $23bn, respectively, in the current year, with exports rising 6.8 per cent to $158bn and imports up 8.8 per cent to $124bn.

CONTENTS

DECISION EXPECTED IN NEXT FEW MONTHS

EEC likely to increase 'oil facility'

BY JOHN WYLES IN BRUSSELS

EUROPEAN COMMUNITY governments are expected to decide in the first half of this year to increase the Community's loan facility to help member states with severe balance of payments problems. The borrowing ceiling may be raised from Ecu 6bn (£3.4bn) to Ecu 10bn (£5.76bn), although some governments favour an even bigger increase.

Agreement is unlikely without some fierce discussion among EEC finance ministers over the size of the increase and on whether a limit should be set on borrowings by any one member state. The scheme was devised in the mid-1970s to help member states unable to borrow as cheaply as the Community in capital markets.

The majority of governments feel that the so-called "oil facility" needs expanding because France has already accounted for the lion's share by taking Ecu 4bn in last summer's borrowing exercise to bolster the French franc. Britain, West Germany and the Netherlands are still very *hesitant, however, arguing that* raising the Community's borrowing potential could harm its creditworthiness.

Nevertheless, the European Commission is expected to come forward with a formal proposal *before the spring, following* completion of a report in favour of an increased loan facility from M Jean-Michel Camdessus, the chairman of the EEC's monetary committee and head of the French Treasury.

*M Camdessus also recom*mended the writing of a new regulation limiting the amount any one government could borrow to a fixed proportion of the total facility. He made no *specific* recommendations, although opinion among member states is said to range from 40 per cent to 65 per cent.

Before giving its agreement, the British Government may well try to *insist that tougher* conditions should be attached to any Community borrowings on behalf of a member state.

The British Treasury is said to feel that more explicit policy conditions should have been attached to last year's French loan, although the actual austerity measures taken in the wake of last March's franc devaluation were thought ade*quate at the time.*

The UK would like to adopt the International Monetary Fund's approach to loan conditions based on a strict vetting of policies before a loan is finally *granted.*

Other countries argue, however, that the EEC should not try to compete with the IMF and that the purpose of the facility is to prevent a balance *of payments and currency crisis* rather than to rescue a country in the midst of one.

Redevelopment aid agreed

EEC GOVERNMENTS have just approved a special spending package worth just over £400m to help economic regeneration for areas hit by closures in the steel, shipbuilding and textile industries, writes John Wyles.

The go-ahead represents an important step forward in the development of the so-called non-quota section of the Community's regional development fund. While the section accounts for only 5 per cent of total EEC regional aid, it is much more flexibly applied, both as to the programmes and the areas qualifying for aid.

Part of its aim is to exploit a declining area's local potential for economic growth by helping small and medium sized businesses through the supply of professional advice and skills.

The latest spending package brings textile areas into the scope of the non-quota section for the first time. Out of a total of Ecu 710m (£404m), Ecu 260m (£140m) will go to textile areas in France, Ireland, Italy and Britain.

Some Ecu 160m will be spent on areas in France, Italy and Greece which could be adversely affected by the entry of Spain and Portugal into the Community.

States urged to bear cost of rail infrastructure

BY PAUL CHEESERIGHT IN BRUSSELS

GOVERNMENTS IN the European Community should take over the cost of building and maintaining railway track, and should take steps to discharge the past debts of their national railway companies.

These proposals for a radical financial re-organisation of the EEC's national rail systems have been incorporated by the European Commission in a draft decision sent to the Council of Ministers and just published.

They are likely to run into stiff political opposition, not least from the British Government with its manifest unwillingness to take on the charge of caring for British Rail's track.

At the same time the debt suggestions may be welcome to France and West Germany which are more anxious to find EEC solutions to the financial problems their rail networks face because of increasing debt burdens. BR's debts have been written off three times in the past 20 years.

The Commission's ideas, which had circulated for some months before emerging in draft legislative form, owe their impetus to the desire of France, Italy and West Germany for action on railways as a counterpart to liberalising road haulage.

The main Commission ideas in the legislation are that the state should bear the cost of railway infrastructure and the railways should pay the cost of using it. The member states should make arrangements to reduce rail debts over four years to individually specified limits. At the same time it would be agreed that, after 1989, subsidies to meet operating deficits would only be granted if they were linked to rationalisation measures.

Although the Commission understands that the main action on railways has to come from the member states, it believes there needs to be an EEC framework. Thus its legislation seeks to amend a Council decision of 1975 on railway financing.

French farmers' incomes fall 3.8%

By Paul Betts in Paris

FARMERS' AVERAGE income in France declined by 3.8 per cent last year and is likely to fall again this year, M Michel Rocard, the Agriculture Minister, said yesterday.

He cited this *expected* further fall as one of the main reasons why France found the latest European Commission farm price proposals "unacceptable." They would give French farmers average price rises of 3.2 per cent.

Although the minister said he remained generally optimistic that the EEC crisis would be settled eventually, he thought that a farm price compromise was unlikely before the Community's next summit in March.

M Rocard warned French farmers against further unruly demonstrations since these created additional difficulties in the EEC negotiations. President Francois Mitterrand this week sacked the Prefect of the Department of the Orne in Normandy for failing to stop the hijack of two British trucks by angry French meat farmers last week.

However, despite his warning that he would take a tough line against farmers protests, two more trucks of imported pork were seized by farmers on Wednesday night and their cargo destroyed.

French farm prices rose at an annual average rate of 9 per cent last year. Vegetable and crop prices were up by 11.4 per cent and animal production rose by 7 per cent. In contrast, the cost of feedstuffs and other essential commodities and services rose by an averae rate of 9.4 per cent.

The agricultural sector is expected to show a trade surplus of FFr 23bn-FFr 24bn (£1.9bn-£2bn) last year.

U.S. hopes for more high-level meetings with Soviet Union

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN STOCKHOLM

THE U.S. State Department is hoping that Wednesday's meeting between Mr George Shultz, the Secretary of State, and Mr Andrei Gromyko, the *Soviet* Foreign Minister, will be followed by other high-level meetings, possibly including a U.S.-Soviet summit. The subject of future meetings was certainly discussed by *the two men,* although U.S. officials have refused to give details.

The idea of a conciliatory speech by President Ronald Reagan, followed by a series of high-level U.S.-Soviet encounters, was originally planed last July.

It was to have been the first public indication that the U.S. was working towards a change in relations which it was hoped would lead to a summit between President Reagan and President Yuri Andropov this spring.

This carefully constructed plan was undermined by the shooting down of the South Korean airliner in September. Relations deteriorated further when new U.S. cruise and Pershing nuclear missiles were deployed in Europe at the end of last year.

However, in the wake of President Reagan's speech on Monday and the meeting two days later between Mr Shultz and Mr Gromyko, last year's aborted plans could assume new significance.

Senior U.S. officials say at least three meetings between the two ministers were planned, the first—and as it turned out the last—in Madrid at the end of the European security conference. Two more had been *planned* in New York during the General Assembly sessions at the United Nations. Mr Gromyko did not attend the UN because of the Koreanairliner incident. A possible fourth *scheduled for this winter.* meeting had also been

The U.S. State Department's view apparently was that the groundwork of re-establishing relations had to be substantially accomplished by the autumn in order to withstand the expected buffeting which would accompany the deployment of the new U.S. missiles at the year's end and the likely failure of the Geneva talks.

There was considerable domestic opposition to the State Department both within the Administration and Congress which was one reason why President Reagan did not make a speech in July. But high-level diplomatic contacts took place during the summer and officials were confident by August that the series of Shultz - Gromyko meetings planned for September could lead to a summit in the second quarter of this year.

The prospects now must be much less good, not only because much time has been lost and business created but also because President Andropov is ill and the U.S. is facing a presidential election.

Gromyko speech reflects strong Soviet feelings

BY ANTHONY ROBINSON IN STOCKHOLM

SOVIET officials at the conference here on disarmament in Europe have been anxious to underline that the content and strongly anti-U.S. tone of Mr Andrei Gromyko's speech on Wednesday reflected accurately the frustrations, anger and fears of the Soviet leadership.

The Soviet Union, they say, *does* believe that Washington did not negotiate seriously at Geneva and was only interested in ensuring the deployment of new cruise and Pershing 2 missiles. What is seen by the Americans as a successful exercise in Nato unity and restoration of the balance of nuclear forces in Europe is viewed by Moscow as further evidence that the U.S. is seeking military *supremacy.*

The future of the intermediate-range nuclear missile talks in Geneva has thus become the sticking point of Soviet diplomacy and the message included in the Foreign *Minister's* speech, and repeated to Nato ministers in his bilateral encounters later, was that those talks are dead and buried.

However, U.S.-Soviet differences go away beyond the European missile question to embrace human rights, alleged arms control violations, Lebanon and Middle East policy, Afghanistan and the mutual miscomprehension which has accumulated during three years of increasing hostility.

These topics and more were discussed by Mr Gromyko and *Mr George Shultz, the U.S. Sec*retary of State in their five-hour "detailed and candid talks" on Wednesday night.

The fact that talks lasted so long and apparently covered so much confirms that, despite the rhetoric, the Soviet Union does want to maintain and, if possible, improve its channels of communication.

But *the Soviet leadership* does not want to he seen to be helping Mr Reagan's re-election prospects in any way and is desperately anxious to avoid giving the impression that it *has been forced to submit to* U.S. dictates.

Western commentators have emphasised the constructive tone of President Reagan's recent speech on U.S.-Soviet relations. What attracted Soviet commentators, however, was the message from the White House that a re-armed, economically prosperous and politically self-confident Administration—with its alliances intact and arms programmes in place—is now ready to do business at last with Moscow, but on U.S. terms.

Moscow feels it has been forced into a cul-de-sac by the deployment of cruise and Pershing 2 missiles and is deeply *aware of its economic weakness* at home and political difficulties abroad. But it is still proud enough to demand respect from the U.S. and insist that any agreements will have to be *mutually advantageous* and based on acceptance of equal status. This is not a formula for quick or easy progress.

Mr Ruud Lubbers (above), the Dutch Prime Minister, who is on an official visit to the U.S., is thought to have raised with President Ronald Reagan yesterday the possibility that the Netherlands might take only 16 cruise missiles in 1986 and not 48 as previously agreed.

The Netherlands is sharply divided over the cruise issue, and there even is a possibility that the centre-right Government might fall if a vote on the issue is pressed by the Socialist - dominated opposition.

The Prime Minister is committed to taking a final decision on cruise by June and *reportedly sees a reduction* in the number of weapons to be stationed in the Netherlands as one way out of his dilemma.

W. German general sues over dismissal

By Rupert Cornwell in Bonn

GENERAL GUENTER KIESSLING, the dismissed former deputy supreme commander of Nato, yesterday filed a writ against his premature retirement, arguing that the decision was unjustified and illegal.

The action, brought before a Cologne court is the general's latest move in his campaign to clear his name of allegations of homosexuality. It will also help ensure that the affair will not—as the Government would like—disappear of its own accord.

Evidence that General Kiessling had visited Cologne bars frequented by homosexuals was the main factor prompting Herr Manfred Woerner, the Defence Minister, to remove him from his post, on the grounds that he had become a security risk.

But the detailed version of events given by the Minister on Wednesday to the Parliamentary Defence Committee, did not end the matter.

For the second day running the parliamentary commission which supervises the secret services here held closed-door hearings into the background to Gen Kiessling's dismissal.

After evidence from senior officials at the ministry and Herr Woerner, the commission was due to question officers of the Cologne police who collaborated with the MAD, the defence intelligence service, in providing "watertight" proof that Gen Kiessling had been in the two homosexual bars in the city.

The MAD and its methods have become one of the most controversial aspects of the affair. Yesterday the Defence Ministry was forced to deny Press reports that MAD agents had bribed patrons of the bars to testify that they had seen Gen Kiessling in person.

Meanwhile the Defence Committee plans further hearings on the affair. The radical "Greens" party has demanded time for parliamentary questions about Gen Kiessling, while the opposition SPD may seek to have a special parliamentary committee created. All these developments ensure that the spotlight will remain on the case, to the embarrassment of the Government, and Herr Woerner in particular.

Turks reject Kyprianou settlement plan

By Andriana Ierodiaconou in Athens

TURKEY and the Turkish Cypriots have rejected a settlement plan for Cyprus, presented by President Spyros Kyprianou this week to Mrs Margaret Thatcher, the British Prime Minister. London and Washing*ton are backing United Nation's* attempts to solve the problem.

The official line in Ankara and Nicosia is that the Turkish side has not yet been formally advised of Mr Kyprianou's plan, which the Cypriot President also preented to Sr Javier Perez de Cuellar, the UN Secretary General, in Ne wYork last week. Turkish and Turkish Cypriot *officials* privately make plain that they consider the plain to be unacceptable.

Their main objection is to the proposed demilitarisation of the island to form a federal republic. This would mean the withdrawal of an estimated 30,000 Turkish troops, which have occupied the northern third of Cyprus since 1974, where an independent Turkish Cypriot republic was proclaimed last November. No state except Turkey has recognised this republic.

Under Mr Kyprianou's plan, the 18 per cent Turkish Cypriot minority would keep 25 per cent of Cypriot territory. The Greek Cypriot majority, which generally holds about 85 per cent of the island, would get the rest.

Internal security on the island would be the job of a UN force. Mr Andreas Papandreou, the Greek Prime Minister, has offered in the past to finance *such a forme. Mr Kyprianou will* be in Athens for consultations with the Government there on the Cyprus issue this weekend.

Spain reduces trade deficit

BY DAVID WHITE IN MADRID

SPAIN'S Socialist Government, delivering a "reasonably satisfactory" bill of health to the country's economy after its first year in office, has claimed a sig nificantly better balance of payments performance than was expected.

Preliminary estimates cited by Sr Miguel Boyer, the Economy and Finance Minister, put the current account deficit for the year at $2.3bn compared with $4.1bn in 1982.

This figure clearly assumes an extraordinarily favourable trade result for December with a sharp reduction in imports.

The merchandise trade balance for the year is reckoned to have improved by some $2bn to a deficit of $7.3bn, according to the government figures. This compares with forecasts by both official and private experts late last year of a $8bn shortfall.

Despite a fall in tourist income to $5.95bn against $6.1bn in 1982, the estimate for Spain's payments balance on services shows an increase in the surplus to $3.64bn from $3.56bn. The surplus on transfers, mainly reflecting payments by Spaniards working abroad, is reckoned to have dropped in the meantime to $1.34bn from $1.50bn.

Inflation for the year is estimated to have marginally exceeded the Government's target at 12.2 per cent—failing to narrow the four percentage points differential with the average in Western Europe.

Economic growth is claimed to have increased to 2.1 per cent *last year from 1.3 per cent,* within the range of the objectives set by the Government at the end of 1982. However, some private economists believe growth factors such as the agricultural sector may have been overestimated.

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Hungary reveals goals agreed with IMF

By David Buchan

HUNGARY IS aiming this year to achieve a "minimum" $400m surplus on its external current account and to phase out its 18-month-old curbs on imported raw materials and equipment from the West, Mr Janos Fekete, the deputy governor of the national bank, said yesterday.

These are the key goals agreed with the International Monetary Fund in negotiations for a 1984 standby credit of SDR 425 ($437m) announced last week.

Though Hungary received a Fund standby credit of some $600m last year, it ended 1983 with only $300m current account surplus, half of what it had hoped for, because drought and poor world price trends hit exports. This is the rationale for the new IMF loan.

Mr Fekete stressed that Hungary put its financial security first. Before lifting the import restrictions which were originally supposed. under last year's IMF agreement, to be ended in 1983, "we must restore our liquidity position to that of December 1981," he said.

The Polish debt scare, caused foreign banks and governments to withdraw nearly $1bn in loans from Hungary in the first quarter of 1982. Mr Fekete said Hungary had now "very nearly" regained its pre-1982 level of reserves.

The Government's plan for 1984, which designed to mesh with the IMF programme, forecasts an overall 1.5-2 per cent rise in national income, with a 1-2 per cent drop in domestic consumption offset by rapid growth in exports.

Output from industry, expected to rise by 1.5-2 per cent, is to be channelled more to exports.

Under the renewed IMF agreement, the national bank is expected to continue its "active" exchange rate policy for the Hungarian forint. This is intended to neutralise any margin of domestic inflation—which is currently running at around 8 per cent a year—above world levels and to keep exports competitive.

Mr Ian Hume, a senior World Bank official, is quoted in the Hungarian Press as saying that Hungary might receive a further World Bank sponsored loan of $200m this year.

World Bank energy and agriculture projects in the country and might be "co-financed" by the Bank and private Western banks in the way that $239m was raised for Hungary last year. Of that sum, the World Bank only put up 15 per cent and commercial banks the rest.

James Buxton explains why the Craxi Government is unlikely to get what it wants out of the EEC

Italian steel industry faces the moment of truth

IF THE MOMENT of truth ever comes for the Italian steel industry, it ought to come in the next few days.

After years of prevarication and defiant Ministerial pronouncements, matched by ever-mounting losses by the state steel company Finsider. Italy must present the EEC Council of Ministers with its plan for making a 16 per cent cut in Italian steel capacity next Thursday and then put it into effect.

The issue is a test of whether the Government of Sig Bettino Craxi is prepared to take painful decisions, whether it really cares about reducing the losses of state sector companies and how much it values its relations with the EEC. For Italy's EEC partners it may become a trial of how much longer they put up with what they regard as special pleading from Rome.

Steel exploded as an issue in Italy last summer. For years Italy had virtually ignored EEC requests for cuts in capacity while other countries steadily closed plants and reduced their workforce. Finally, the Commission agreed that EEC members produce by the end of this month detailed plans for cutting capacity. Italy was told to cut its capacity of 36.6m tonnes — the second biggest in Europe — by 5.8m tonnes, all but 1m tonnes of it in the state sector. The cuts were to be made by the end of 1985.

The outcry by Ministers and unions was theatrical, but no less striking was the scorn poured upon them by knowledgeable Italians who had watched successive governments continue to build steel plants long after it became clear in the mid-1970s that demand was unlikely ever to rise substantially again.

Finsider and the Government were on strong ground in arguing that Italy had created heavy industry later than other countries, that domestic steel demand in Italy had risen until 1981 and that the steel industry has some of the most modern and best-sited plants in Europe.

They were on shakier ground when explaining why Finsider has lost nearly L7,000bn (£2.8bn) in the past four years. "If your industry is as efficient as you say, why does it lose so much money?" said Viscount Etienne Davignon, the EEC Industry Commissioner, to an Italian newspaper last summer.

Part of the answer is undercapitalisation, but much of the rest is due to keeping going excess plant and too large a labour force. In fact, Finsider, which had cut its steel workforce by only 4 per cent since 1974, had got the point.

So too had Prof Romano Prodi, chairman of Finsider's parent company IRI, who saw that the steel holding company was accounting for two-thirds of his industrial conglomerate's losses of L3,000bn last year and views the steel issue as a test of whether or not Italy is prepared to have a realistic industrial strategy for the rest of the century.

In the autumn, Finsider produced a plan which envisaged cutting its capacity by a net 3.8m tonnes and giving early retirement to 23,500 steel workers out of a workforce of 92,500. The plan forecast that the slimmed-down company would break even in 1986.

The heaviest cuts will fall on the Cornigliano works at Genoa, but there will be closures at most of Finsider's steel plants painful blows to the communities involved, largely unused to any interruption in their steadily rising prosperity. The private sector would supply the remaining 2m tonnes of cuts requested by Brussels with the help of Government incentives.

The problem is the Bagnoli works just outside Naples. Here a L900bn project is nearing completion for the building of a new hot rolling plant to remedy Italy's deficit in high value flat products. The EEC itself helped finance it. Most of the rest of Bagnoli was closed in late 1982 and the workers "temporarily" laid off.

The Finsider plan calls for the reopening of Bagnoli only if the EEC concedes to Italy an additional quota of 1.2m tonnes of flat products under the quota system—separate from the capacity issue—which has to be renewed by the Council of Ministers next week. But a closed steel plant in the depressed and turbulent city of Naples is a liability to any Government, particularly one in the midst of delicate talks with the unions on reducing wage indexation.

The unions don't like the Finsider plan at all, but they would probably accept it and early retirement for an ageing workforce if Bagnoli reopens, taking back the laid-off workers. Ministers have tried hard to obtain Commission support for the extra quota to make this possible, but the Commission has so far said no. Any increase in the Italian quota would be at the expense of someone else, and Italy's deficit in flat products is offset by its surplus in long products.

Now Ministers are indicating that they intend to reopen Bagnoli irrespective of what the EEC Council of Ministers decides on Thursday. There are several ways in which this could be done. The most drastic would be for Italy to refuse to renew the quota system, an idea which has been publicly mooted.

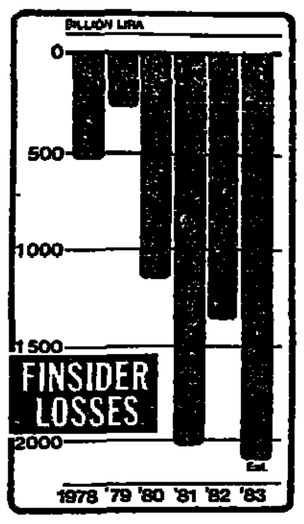
But that would go against Italy's unshaken belief in the Common Market ideal, and would cause a prices free-for-all which would badly damage Finsider. A less dramatic, but still contentious alternative, would be to breach the approved quotas and face fines from the European Court.

Another way to reopen Bagnoli would be to divide the existing flat products quota between Bagnoli and Taranto, the vast and modern plant in the heel of Italy. This would mean operating both plants at well below an economic level of efficiency (Taranto could easily meet the whole allocation) and thereby defeat the main justification on the Italian side for going through with the cuts at all—reducing Finsider's and IRI's losses.

Even the idea that has been suggested of obtaining a "token" quota increase of a few hundred thousand tonnes with the promise of more to come in order to get Bagnoli restarted runs foul of the efficiency argument.

The Government will have to decide between these options and that of keeping Bagnoli closed in the wake of next week's Brussels meeting. It is going to the Council of Ministers with a detailed plan which meets the Commission's global request. But it remains to be seen whether Italy's partners will accept the doubling from 1m to 2m tonnes of the cuts which the efficient private sector must make based on as yet vague conditions, while the early retirement provision for Finsider employees is uncertain because of internal differences in the Government.

It Italian delegation at the Brussels meeting will find few friends around the table—the other big European steel producers have made most of their cuts, and know what it is like. Italian Governments have little experience of doing unpopular things and have a disproportionate, if understandable, fear of the unknown.



PRIVATE SECTOR MAKES OFFER ON CORNIGLIANO

A GROUP of leading Italian private sector steelmakers has presented IRI, the state industrial holding company, with a plan under which they would take over and operate part of the Cornigliano steelworks at Genoa, most of which Finsider intends to close, writes James Buxton.

Under the plan, the consortium, led by Falck and Pittini, would continue to operate the blast furnace and continuous casting plant to make billets. These would be then used by the private sector steel companies.

The scheme would save up to 1,500 out of the total of 5,000 jobs threatened at Cornigliano. The saving of part of Cornigliano would be offset by Government-assisted closures in the private sector.

The private sector companies want Finsider to take a 10 per cent stake in the operation and for the Government to finance the necessary conversion of the plant, the cost of which has been put at at least L150bn (£62m). The Government and IRI are to consider the plan.

Hopes fanned of big Danish N. Sea find

By Hilary Barnes in Copenhagen

AN INFORMATION blackout on a well being tested in the Danish sector of the North Sea increased speculation here that it may be one of the larger hydro-carbon fines so far made in the sector.

The well, the West Lulu-1, is on a structure only a few kilometres from the boundary with Norway's sector. The find reportedly contains gas and is regarded as promising. The well was drilled by A. P. Moeller, the Danish company which is operator for a consortium including Shell, Texaco and Standard Oil of California.

Building orders slow in West Germany

Growth in West German domestic building orders slowed in the second half of 1983 to show an estimated real rise of 4 per cent over the same period a year earlier, the industry association told Reuter in Wiesbaden. This compares with a rise of 9.1 per cent in the first half of 1983 and 13.4 per cent in the second half of 1982.

The association said that this slower recovery means the industry has not made up for the slump in orders during 1980 and 1981.

AMERICAN NEWS

As the 'disappeared' are found in their graves the horror is mounting, reports **Jimmy Burns** in Buenos Aires

Alfonsin tries to curb avenging urges of shocked Argentines

THE PEOPLE of Argentina are, quite literally, digging into their past. In graveyards up and down the country more than 3,000 unmarked graves have been unearthed, revealing the bodies of the victims of past repression, officially classified as the "disappeared" ones.

There are children among the dead. Many of the bodies, even in a late stage of decomposition, show signs of having been shot at point blank range or mutilated. Skulls have their teeth wrenched out to avoid identification.

There has been confusion of a particularly black kind. Just before the New Year, Buenos Aires zoo was closed when graves were discovered near the main animal cage. Doctors are sifting through the bones to see if they can identify any human ones.

To the outside world, the discoveries of recent weeks might seem like a macabre obsession with a past already known through the reports of human rights organisations and perhaps best forgotten. But for large sections of the Argentine population, the daily revelations of horror are not only new, but are contributing to a mood of collective catharsis with far-reaching political implications.

Since the swearing-in of the Centre-Left Radical Government of Sr Raul Alfonsin last month, the local media has been able to report events in graphic detail, a freedom denied when the military took power in March 1976. Until last month a combination of propaganda and physical coercion insured that most of the population had either never heard of or preferred to ignore the details of the atrocities committed during the "dirty war."

"Just a few months ago, most of my neighbours thought I was mad or a liar," said Sr Emilio Mignone, a human rights lawyer. "Since I was allowed to appear for the first time on TV, I'm hugged by people in tears saying 'My God, My God, you were right'."

President Alfonsin was himself an active human rights campaigner during the military regime and promised during his campaign that the fate of the disappeared would be investigated and those responsible brought to judgment.

He has moved with extraordinary speed to reduce the power of the military. In the first few days after he took over he placed the military-industrial complex under civilian control, reshuffled the military high command, retiring more than 70 senior officers, and repealed a law giving amnesty to those accused of human rights violations. Nine members of the three juntas which governed in the years 1976-82 were ordered to be court-martialled on charges of murder.

Over a dozen other senior officers, including Gen Reynaldo Bignone, the former President, have been summonsed by civilian judges on charges relating to those of the estimated 8,000 cases of disappeared which are sufficiently well-documented.

About 200 officers have been implicated directly in the repression, and much of the evidence is being passed on to a special independent inquiry into the disappeared in which well-known public figures including lawyers, bishops and writers are taking part.

Grave diggers outside Buenos Aires uncover bodies of the "disappeared"

Sr Alfonsin is conscious, however, of the need to diminish demands for unbridled vengeance and to deal with the military in a way that will not provoke serious unrest. In his first speech as President, he made an emotional appeal for national reconciliation.

A new law currently under debate specifies that all officers accused of human rights violations should no longer answer immediately to a civilian court but instead submit themselves for trial by the Supreme Council of the Armed Forces, the highest military court.

Under the new law each court martial will have a time limit of 180 days and any decision will eventually be submitted to a civilian appeals court, empowered to look at fresh evidence. Final sentence will be given by the Supreme Court.

Sr Alfonsin's aides like to refer to post Franco Spain, where the civilian Supreme Court amplified the small sentence handed out by a military tribunal to the backers of the Tejero attempted coup.

Human rights groups have condemned the new law as a farce. After several years of seeing the constitution and the law consistently violated by the armed forces, they have no faith in the military's willingness to try itself fairly.

The Government insists that the courts martial will be public, but under the country's military code there is a loophole whereby there can be secrecy where "morality and the discipline of the armed forces" are affected.

Although the armed forces have been greatly discredited by their years in Government, their failure to win the Falklands war and the resounding electoral victory of Sr Alfonsin's substantially anti-militarist campaign, they continue to be an important factor in Argentine politics. The new law may only postpone what promises to be a serious clash. Lenient sentences handed out by military courts are bound to be challenged by the civilian courts if the prosecution decides to appeal.

One of the more controversial articles of the proposed law draws a distinction between the senior military officers who planned the repression and the middle-ranking and junior officers who acted under orders. Government aides admit privately that this could provide a guarantee against the armed forces being excessively humiliated by sweeping trials.

It is understood that Sr Alfonsin would prefer heavy sentences to be metered out to members of the three juntas and not more than around a dozen other officers. This relatively moderate stance contrasts with that of human rights groups who are seeking stiff terms for over 100 officers.

The official military view on the disappeared is that the excesses were an unavoidable response to the terrorism committed by Left-wing guerrilla groups and that the repression was carried out in a "patriotic spirit," aimed at saving the nation from chaos and destruction.

Army solidarity over the human rights question has remained virtually intact. The revelations of recent weeks and the spectacle of senior officers nearly lynched on their way to court, a reaction which Sr Alfonsin has condemned, have contributed to a closing of ranks.

Senior officers have taken to attending court surrounded by heavily-armed bodyguards drawn from the former military state security apparatus rather than official police protection and Presidential aides are concerned lest the former paramilitary police become agent provocateurs.

Last week, Gen Aguado Benitez, head of the country's Fifth Army Corps based in Patagonia, greatly embarrassed the Government by publicly excusing the military's human rights record and by hinting that there was unrest in the baracks.

His statement earned him a reprimand from Sr Alfonsin and an official ban was placed on any political pronouncement by a serving officer. Sr Alfonsin hopes that further military reform will gradually mould a new democratic way of thinking among younger officers and obviate any future coup attempt.

Professionalisation in the armed forces could take several years, however, and in the meantime there is clearly a need for a more immediate pacifier. Privately the President's aides admit that a peaceful and just resolution of the human rights debate in the coming months depends less on changed military attitudes than on the continuing popularity of Sr Alfonsin. It remains to be seen whether the new military law will put out the first of military unrest or simply activate a slow-burning fuse.

Washington to ease Polish sanctions

By Our U.S. Editor in Washington

President Ronald Reagan has ordered a slight easing of U.S. economic sanctions against Poland following an appeal by Mr Lech Walesa, the leader of the outlawed solidarity trade union, the White House said yesterday.

The ban on Polish fishing in U.S. waters is to be lifted and a limited number of charter flights to the U.S. by the Polish national airline, LOT, will be permitted this year. But several more severe sanctions will remain in effect until Poland's human rights record improves, U.S. officials said.

The steps come two months after the Administration agreed to join 14 other Western governments in talks on the rescheduling of part of Poland's official foreign debt and authorised preliminary negotiations on renewing fishing contacts through joint ventures.

The sanctions were imposed after the Warsaw Government declared martial law in 1981. Officials said further relaxations could follow if the situation in the country continued to improve.

Sanctions remaining in force include a freeze on U.S. Government trade credits and loans.

Slower income growth forecast

GROWTH in U.S. personal incomes and spending will be slower this year after brisk growth last year, Mr Malcolm Baldrige, the U.S. Commerce Secretary, said yesterday, AP-DJ reports.

Mr Baldrige's comment followed a Commerce Department report that personal income rose 0.9 per cent in December and 6.3 per cent for all of last year.

The report indicated that personal income, after taxes and after adjustment for inflation, increased more than 5 per cent between the fourth quarter of 1982 and the fourth quarter of 1983, the best calendar-year performance since 1977," Mr Baldrige said.

Telephone access charges likely to be delayed

BY TERRY DODSWORTH IN NEW YORK

THE U.S. Federal Communications Commission is planning to delay the controversial telephone access charges, scheduled for introduction in April, until well after the presidential elections this autumn.

In a preliminary vote yesterday the Commission said it might well delay implementation of the new charges until the middle of next year.

The vote, likely to be confirmed next week, is being interpreted as a move to prevent the issue becoming a political football during the election.

The new payments system was proposed by the Commission as a way of replacing the subsidies for local calls currently generated by the long distance telephone network.

But it has been subject to severe criticism from consumer groups and some Congressional opponents on the grounds that it will hit low-income private consumers at the expense of business callers

Support for Mondale increases

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

FORMER Vice-President Walter Mondale is maintaining a commanding lead in the race for this year's Democratic presidential nomination, with Senator John Glenn of Ohio a distant second, according to the latest Washington Post-ABC News poll published yesterday.

The latest survey of registered Democrats and "independents leaning Democratic" gave 45 per cent backing to Mr Mondale, against 22 per cent for the former astronaut, Mr Glenn, whose campaign has appeared to be faltering in recent weeks. Mr Mondale's support was up from 44 per cent in December, but Mr Glenn's was down from 23 per cent.

Support for Mr Jesse Jackson, the Chicago black activist, rose sharply in the latest poll to 15 per cent, from 9 per cent in December—largely, it appeared, because of his successful trip to Syria earlier this month during which he won the release of an American airman captured in the fighting in Lebanon.

A poll of voters of both parties, however, continued to show President Ronald Reagan running ahead in hypothetical races against both Mr Mondale and Mr Glenn.

Mr Reagan beat Mr Mondale by 49 to 46 per cent (against 48 to 47 per cent in December) and Mr Glenn by 50 to 41 per cent (against 49 to 43 per cent in December).

The poll also showed a majority of almost three to one of all voters agreeing with Mr Reagan in his opposition to a tax increase as a means of cutting Federal budget deficits, which are likely to be a key election issue.

Five-year decline in U.S. oil demand halted

BY WILLIAM HALL IN NEW YORK

THE five-year decline in U.S. oil consumption and imports was halted in the second half of last year, according to figures released by the American Petroleum Institute (API).

U.S. oil demand fell by 1.1 per cent in 1983 to 15.1m barrels a day, but experts predict it will begin rising in the current year

The institute says the decline last year was the smallest to date and the volume of products supplied rose every month since June.

In December, for example, demand was running at 16.2m b/d, some 4.8 per cent up on the same month of 1982.

Petrol consumption rose 1 per cent to 6.6m b/d for the full year. The upturn reverses several years of falling demand and partly results from a 5 per cent fall in pump prices and increased personal disposable income.

The institute says that residual fuel oil was the only major product not to respond to the economic revival.

OVERSEAS NEWS

Hopes of ceasefire in S. Africa-Angola border war revived

BY J.D.F. JONES IN JOHANNESBURG

HOPES OF a ceasefire in the long-running Angola-South African border war have been revived by the confirmation yesterday that a senior South African diplomat visited the Cape Verde Islands earlier this week, where he is believed to have met Angolan officials.

South Africa's Foreign Minister, Mr Pik Botha, in a statement last night said, however, that the latest public proposals of the Angolan Government showed it was not really interested in peace because it knew that South Africa could not drop its insistence on Cuban withdrawal from the region.

Earlier Mr Botha confirmed that Mr David Steward – a former South African ambassador to the United Nations, now head of the South West African section in the Foreign Ministry in Pretoria – had already returned from his discussions with representatives of the Cape Verde Islands Government.

South African troops have just completed a five-week operation deep in south Angola with the aim of forestalling an incursion into Namibia (South West Africa) by guerrillas of the South West African People's Organisation (Swapo).

But the Luanda and Pretoria governments have meanwhile been moving tortuously in the direction of ceasefire negotiations, with the assistance of other governments including those of Portugal and Cape Verde.

South Africa has offered to withdraw its forces from south Angola, where Swapo has its bases, for a trial period of one month, in February – but has set conditions. The Angola Government earlier this month accepted the proposal – again on conditions which at first sight appeared unacceptable to Pretoria.

These conditions were repeated in a Luanda statement on Tuesday night and include the agreement of Swapo, and a South African promise to start implementing the United Nations supervised plan for Namibian independence "without extraneous conditions."

This last point seems to require South Africa to drop its insistence on the "linkage" of South African withdrawal from Namibia with Cuban withdrawal from Angola. South Africa, with U.S. support, has all along insisted on linkage.

This week's diplomatic moves in Cape Verde, which was the scene of two preliminary meetings between Angola and South Africa a year ago, suggest that the two sides are testing each other's real intentions. But there is no evidence to suggest that the South Africans are weakening in their determination on linkage.

This was reconfirmed by a second statement last night by Mr Botha who said that the South African offer to cease hostilities had specifically not been coupled to a Cuban withdrawal.

It had been a fair test of whether the Angolans were really interested in peace. Mr Botha said the Angolan Government did not want to be tested because it was now demanding that South Africa should change its stand on continued Cuban presence.

Optimism from Zhao on Hong Kong talks

OTTAWA – Chinese Premier Zhao Ziyang said yesterday he was optimistic about negotiations with Britain over the future of Hong Kong and suggested a similar blueprint could be applied for Taiwan.

"When I say that I am optimistic about a solution of the Hong Kong question, this is not just casual talk. There is ground for me to say so," Zhao told a press conference during a week-long visit to Canada.

Most of Hong Kong is due to revert from its British colonial status to Chinese sovereignty in 1997 and Britain has said that it wants to negotiate a settlement with Peking on the whole territory.

Earlier this week, Peking released detailed plans for its future, guaranteeing the colony's present social and economic system up to the middle of next century.

Zhao said: "There is progress in the second phase of negotiations between China and Britain. Our two sides have reached an agreement not to give details to outsiders. "All the policies we are going to adopt towards Hong Kong can also be applied to Taiwan – and even more."

He said that for China, reunification was the most pressing task.

Reuter

Depositors 'demonstrate confidence in Israel'

By David Lennon in Tel Aviv

MR YIGAL COHEN-ORGAD, Israeli Finance Minister, said that overseas depositors in Israeli banks had shown their confidence in the Israeli economy and banking system by depositing $11bn in Israeli banks abroad, and some $6bn in Israel itself.

Mr Cohen-Orgad described the current economic situation in Israel as a "transition."

"We have embarked upon a programme of controlled austerity, and in a year we shall turn that into a programme of controlled rebirth of our economic growth," he said.

Meanwhile, Israel is submitting a request for $3.3bn military and civilian aid from the U.S. for the 1985 fiscal year starting next October. During the talks which begin in Washington today, Israel is hoping to persuade the U.S. to provide $2.7bn of the total as a grant.

U.S. aid for 1984 is $2.6bn, with some $1.7bn of that sum in grant form. This comprises a military grant of $850m and a civilian aid grant of $910m. Another $850m of militray aid is given as a loan.

It was agreed during a visit to Washington late last year by Mr Yitzhak Shamir, the Prime Minister, that in the U.S. fiscal year starting in October, Israel will receive $1.4bn in military aid and an outright grant.

In effect, Israel is hoping that U.S. aid next year will match the level of the current year, but that for 1985 it will all be given as a grant. If that were the case, Jerusalem would probably be content to forego any increase in the overall sum of aid.

Nigeria sanctions jail without trial

NIGERIA'S supreme military council yesterday introduced a decree authorising detention without trial for up to six months. Over 400 former officials of the ousted Shagari government are currently being held in custody by the military authorities. **Michael Holman reports from Lagos.**

Grounds for detention include state security and suspicion that a person may have "contributed to economic adversity." So far over Naira 4m has been confiscated from the homes of arrested officials.

Realistic Suharto has not wavered, reports **Chris Sherwell**, recently in Jakarta

Indonesia's tough withdrawal from 'oil drug'

INDONESIANS quickly discovered last week that an apparently rhetorical remark by President Suharto in a new year speech was an ominous warning that their economic battles would continue. He said 1984 would be full of hard challenges and trials.

Unveiling the details of his latest budget nine days later, he repeated the phrase twice more, and went into a lengthy discourse on the need to contain the Government's fuel subsidies. Sixty hours after that, the bombshell came: prices of domestic fuels were raised by 50 to 76 per cent, the fourth set of increases in five years.

The rises will hit even the poorest Indonesians, and will increase industrial, transport and other costs both directly and through their impact on electricity tariffs. The decision confirms that the austerity forced on Indonesia by world recesion and a fall in oil earnings will continue. For President Suharto—a military man with 18 years' experience of power—it adds to his reputation as a realist ready to take tough action.

His decision not to waver is important. While Indonesia is Asia's largest oil and gas exporter, it is also the world's fifth most populous nation with 158m people, and it has a per capita annual income of just $520. President Suharto, who is likened to a traditional Javanese king and hailed as the father of modern Indonesia, dislikes imposing tough policies—particularly after presiding over three five-year development plans which have used oil wealth to transform the country.

Yet over the past year or more, the 62-year-old Indonesia leader has risked both a popular outcry and a loss of sympathy within the bureaucracy to steer the country away from a potentially serious debt problem and balance of payments crisis. He has reduced the large subsidies on food and fertiliser, devalued the rupiah by 27.5 per cent against the dollar and then let it slip further, and "rephased" 125 development projects, including 47 large new ones involving $21bn of expenditure, to save foreign exchange.

On top of this, he has instituted major credit reforms to channel more money through the banking system to industry, implemented new tax legislation to boost public revenues by curbing evasion, and slowly begun tackling the mass of red tape which hampers Indonesia's rapid development.

The Government's stern action, together with the gradual economic recovery and better-than-expected export and import performances, has already produced an impressive balance of payments turnround. The current account deficit for fiscal year 1983-84 ending in March is now projected to be around $5bn, far better than hoped and a big improvement on last year's $7bn deficit. The overall balance of payments figure is expected to move from a deficit of $3.3bn in 1982-83 to a surplus of $1.5bn.

On the debt front, total government and state sector debt topped $20bn by last June,

President Suharto

but total foreign reserves held by the central banks and commercial banking system climbed to $8.4bn by September, up from $6.45bn in March. The debt service ratio—debt repayments as a proportion of export earnings, net of oil—stood at 24 per cent, high but tolerable.

For ordinary Indonesians, the picture is less bright. Apart from the fuel price rises, they face an end to all food subsidies for the first time this year, and consumer price inflation is likely to move above the current 11-12 per cent anuual rate.

A worrying squeeze is expected this year—development spending, which represents the country's hope for an escape from poverty in the future. The squeeze highlights Indonesia's vulnerable dependence on oil and gas, and it is clear that any further drop in world prices could virtually halt development. Even now oil production is well above Indonesia's Opec quota of 1.3m barrels a day.

Last year's project rephasing was an indication of this vulnerability, although two large projects — an aromatics plant at Plaju, south Sumatra, and the Mrica hydroelectric scheme in Central Java — have since been saved.

Development spending in 1983-84 is set to rise 12.6 per cent in rupiah terms, and might have been far less but for a projected 59.7 per cent boost in funds from foreign sources to 4,400bn rupiahs, thanks partly to the devaluation.

The Government insists that it could not cut current spending any further. This is set to rise 38.8 per cent, mainly because of a 15 per cent rise in salaries for civil servants and military personnel — more than 3m people — the much higher cost of debt repayment in terms of depreciated rupiah, and continuing subsidies in the petroleum sector despite the latest price rises.

In the coming five-year plan starting in April, President Suharto wants to reduce the share of oil and gas in export earnings from 71 per cent to 65 per cent and, equally significant, the share of oil and gas in domestic revenues from 64 per cent to 55 per cent. The targets indicate why he made several strong appeals in his budget speech for people to abide by the new tax laws, which he called "one of our great national works."

New laws, which improve collection, widen the tax net and strengthen legal safeguards, will need some time to show real impact on public revenues. On export earnings, some people feel that real hope of improvement must lie with industry and a proper structure of prices, incentives and tariffs to encourage investment and exports.

Here the credit reforms which were so successful in sucking back capital which fled abroad before last year's devaluation have now produced an impossible position in which interest rates which are high enough to retain confidence in the rupiah are far too high for domestic industry. The volatility of capital flows in Indonesia represents another dangerous area of vulnerability for the economy as a whole.

President Suharto's reputation for caution and realism nevertheless remains untarnished. He has again shown himself willing to back the assessments of the "Berkeley mafia," the Californian trained technocrats who advise him, and who have demanded a curbing of Indonesia's addiction to the "oil drug."

The hard journey down the road to rehabilitation has begun, but the withdrawal symptoms will be around for some time.

Drug abuse reaches record level

BY ANDREW GOWERS

DRUG ABUSE has hit record levels world-wide, fuelled by a boom in illegal narcotics trafficking and cultivation, according to a United Nations report yesterday.

The Vienna-based International Narcotics Control Board (INCB) said in its annual report that unprecedented amounts of heroin and cocaine were seized by authorities last year.

Cocaine is believed by independent experts to have become the fastest-growing illicit drug since it was rediscovered in the early 1970s. The INCB, which groups doctors, pharmacologists, lawyers and diplomats, says that about 540 kilos of the substance were seized in the first nine months of last year, compared with just below 400 kilos in the whole of 1982.

The chief source for cocaine is Latin America and the Caribbean, also major suppliers of cannabis, and the board says cultivation of the coca leaf, from which cocaine is made, appears to be spreading rapidly in southern Colombia.

But, it adds, "heroin remains a major concern, with supplies abundant, prices low and purity high." The main suppliers of illicit heroin are Asian countries and the Middle East. The latter provides more than half the heroin consumed in the U.S. and 75 per cent of that taken in Western Europe. But the report confirms a widespread suspicion that South Asia is becoming an increasingly important opiate producer.

The INCB, whose tasks include monitoring the application of international drug control treaties and assisting governments to combat the trade, blames the dramatic rise in drug abuse on "a new wave of permissiveness."

Robert Cottrell in Hong Kong adds: Hong Kong customs officials say the local retail price of heroin has dropped to a record low of HK$80 (£8) per gramme following bumper harvests in South-East Asia's "Golden Triangle."

Islamic conference plan for Egypt 'unacceptable'

BY CHARLES RICHARDS IN CAIRO

EGYPT has said it would not bow to any conditions for its readmission to the Islamic conference organisation, which ended a four-day meeting in Casablanca yesterday.

Radical and conservative states belonging to the 45-member organisation clashed over the readmission of Egypt with Arab countries such as Syria demanding that Egyptian President Hosni Mubarak denounce the Camp David accords. Egypt was suspended from the ICO in 1979 after Camp David.

A compromise solution proposed by the more conservative states at Casablanca wanted Egypt to endorse the resolutions of the Fez Arab summit of 1982 which recognised Israel by implication but called for a Palestinian state.

Egypt has launched a strenuous diplomatic campaign to re-enter the Islamic Conference Organisation over the last few months. A senior official was sent to Malaysia and south-east Asia to canvass support.

Egypt's diplomatic isolation has been eroded recently by the meeting between Mr Yassir Arafat, chairman of the Palestine Liberation Organisation and President Hosni Mubarak. Egypt was also elected to a seat on the UN Security Council.

هكذا من الأصل

WORLD TRADE NEWS

France mounts drive to sell 'smart card' technology in U.S.

BY DAVID MARSH IN PARIS

FRANCE, after years of lagging behind the U.S. in sophisticated areas of electronics development, is mounting a major effort to introduce on the American market memory-chip "smart cards."

These are plastic cards containing a microprocessor with built-in information storage capacity, which have a series of innovative applications ranging from making cashless payments to electronic pinpointing of individuals' medical records.

Bull, the state-owned French computer company, which is one of the three groups producing the "smart card" in France, has just set up a small marketing arm in Dallas, Texas. After an initial phase of "a few months" of exploring opportunities on the American market, Bull will launch into efforts to find industrial partners in order to spread the "smart card" technology throughout the U.S., according to M Herve Nora, general manager of Bull's CP-8 "smart card" division.

Bull already collaborates with Motorola of the U.S., which makes the chips for the memory cards. This could give Bull an asset in attacking the U.S. market, M Nora said.

"But that doesn't exclude other partners," he said. "It's an immense market—not just for the cards but for terminals and computer systems too."

The "smart card" was invented by a Frenchman in 1975, but production has only slowly reached an industrial phase.

French banks, which are experimenting with the card in cashless shopping projects, and the country's Post and Telecommunications Ministry, which is ordering it for coinless-telephones, however have recently become more enthusiastic about the concept.

Although France looks likely to come under increased competition from abroad, notably the U.S., Japan and West Germany, M. Nora believes the French have around 18 months to two years lead in the field.

Bull is building up rapidly its "smart card" production, with output expected to reach around 500,000 to 600,000 this year against total deliveries up to now of only about 60,000. The card presently sells in France for around FFr 65 (£5.50), although the price is about 50 per cent higher in the U.S.

FOREIGN INVESTMENT RISING, SAYS COLONY BUSINESS LEADER

Flight of Hong Kong capital reports denied

BY CHRISTIAN TYLER, TRADE EDITOR

REPORTS OF a flight of capital from Hong Kong because of uncertainty over the colony's future status are "greatly exaggerated and quite irresponsible," according to Miss Lydia Dunn, chairman of the Hong Kong Trade Development Council.

Foreign investment was rising in both the manufacturing and service industries: seven new factories opened last year with U.S. stakes totalling about $HK75m (£6.8m), she said.

Miss Dunn, an influential businesswoman and member of the colony's executive and legislative councils, agreed that the political question of Hong Kong's future relationship with China when the British lease expires in 1997 was an important element in business confidence.

But, she claimed, large companies such as China Light and Power had already signalled their confidence by planning major investments.

Miss Dunn was in London this week with officials accompanying Sir Edward Youde, the governor, for talks with Mrs Thatcher and the Foreign Office about the progress of negotiations with China.

The party visited the U.S. last week, to encourage American businessmen to keep investing. The U.S. acounts for 47 per cent of foreign capital in the colony's manufacturing base, followed by Japan with 30 per cent and the UK with only 6 per cent.

The main worry is the slowdown in domestic reinvestment in manufacturing, Miss Dunn said. "That is not because of the political factor but because of the recession. W eltraperac the recession. We are particularly vulnerable because we are an external economy."

But she added: "I would not deny that the political factor has something to do with it. All I am saying is that it's a slowdown."

The Governor and his team are refusing to give interviews to the press on the state of negotiations. Miss Dunn offered her personal view that getting the right solution was more important than a temporary export of capital.

"No place can live with prolonged uncertainty, therefore there must be a point at which confidence would go. But my view is that we are a long way from that point—perhaps two or three years.

"A hasty, wrong solution would really give people cause of loss of confidence."

The negotiations should not take longer than two or three years because of the long lead time necessary for major investment decisions.

Miss Dunn said the crash in property values was the natural consequence of what had become an inflated market. With prices at more "realistic" levels, there was a further incentive for local and foreign investors.

Already the third largest financial centre after New York and London, Hong Kong expects to see further growth in its service sector.

Miss Dunn: reports are greatly exaggerated

India and Pakistan seek to improve commercial links

BY JOHN ELLIOTT IN NEW DELHI

INITIAL STEPS have been taken this week to improve the flow of trade between Pakistan and India which has declined since 1978 when Pakistan refused to renew a four-year-old mutual trade agreement.

A list of bulk goods to be exchanged has been drawn up and other ways of increasing trade has been discussed during talks in Islamabad, the Pakistan capital. But there does not yet appear to be any early prospect for a formal trade agreement between the two countries.

The progress of the talks was significant in political as well as trade terms. Mr Abid Hussain, India's commerce secretary, said yesterday he had attended the talks as a "messenger of co-operation." The two countries could "complement and give a lot to each other."

This thawing of relations between the two countries was increased yesterday at the opening of parallel talks on travel, culture and sport in Delhi

The two countries' foreign secretaries are now scheduled to meet at an assembly of South Asia's Regional Co-operation Forum next month and a similar meeting of foreign ministers is likely a few weeks later.

This means that India is successfully pursuing its chosen path of concentrating on formal links for trade and other less contentious matters, but refusing at this stage to be drawn by Pakistan into formal diplomatic talks on a possible non-aggression pact.

The talks in Islamabad and Delhi this week have taken place in four subcommissions of the Indo-Pakistan Joint Commission set up early last year. The trade subcommission had only met on one earlier occasion,

Gulf states want lower EEC tarrifs on chemicals

BAHRAIN — Six Gulf states will make a joint approach to negotiate a lowering of European Community tariffs on petrochemical products from their region, Saudi Arabia's industry minister said on Wednesday.

Abdulaziz Abdullah al-Zamel said the industry ministers of the Gulf Co-operation Council decided last month that joint action would be the best way to get the Community to lower tariffs.

"A decision was made to explore various possibilities with the EEC on a joint basis to reach the objective of a lowering by the EEC of their joint tariff wall," he said.

The Six wanted EEC tariffs to be lowered from current levels of between 9 and 14 per cent to around 4 per cent, the rate of current duty on petrochemical imports to the Gulf states, he said.

Petrochemical output in Saudi Arabia and the other five countries — Kuwait, Bahrain, Oman, Qatar and the United Arab Emirates—will rise sharply in the next few years.

In Saudi Arabia alone, 10 petrochemical plants will come on stream in the next two or three years providing a planned 5 per cent of all world needs. Reuter

U.S. attacked for curbs on textile imports

By Our Trade Editor

TEXTILE EXPORTING nations yesterday refused to accept the U.S. explanation of its recent measures to control textile imports.

At a meeting of the textiles committee of the General Agreement of Tariffs and Trade (Gatt) in Geneva, the U.S. representative faced a barrage of criticism from Third World countries—including China—led by Pakistan.

The EEC, Canada and Scandinavian countries also criticised the U.S. for failing to live up to the anti-protectionist declaration it had helped frame at the Williamsburg summit last year. Some warned that American action on textiles could rebound on the U.S. in other trading fields.

Mr Richard Imus, from the U.S. Trade Representative's office in Washington, told the meeting that the Administration was merely setting up new internal mechanism for invoking the procedures of the Multi-Fibre Arrangement (MFA).

The MFA, an international quota system for textiles countenanced by Gatt, allows countries to revise quotas bilaterally.

He said the aim was to make it easier to meet the complaints of the U.S. textile industry about disruption of the U.S. market caused by imports of certain goods.

But the textile exporters rejected that explanation, saying the U.S. was simply aiming to put further restrictions on textile imports.

Most of the 49 countries that are party to the MFA attended the meeting, which was still continuing last night.

The U.S. measures nave already been attacked as a device for securing the re-election of prominent Republican senators from the textile states.

Zimbabwe trade deal with Soviet Union

ZIMBABWE AND the Soviet Union have signed an agreement aimed at boosting two-way trade, Reuter reports from Harare.

Mr Richard Hove, Zimbabwe's Trade and Commerce Minister and Mr Gennady Zhuravlev, the Soviet deputy trade minister, signed the agreement, the first between the two countries, on behalf of their respective governments.

Mr Hove told reporters at the ceremony that the agreement was in line with Zimbabwe's policy of non-alignment. "Present trade between our two countries is not very significant and I believe this is because Zimbabwe's traditional trading partners have all along been in the West."

Finnish sawngoods incur export deposit

Finnish sawngoods exporters will have to pay an export deposit of 2.5 per cent of their export profits from January 20 for one year, Lance Keyworth writes from Helsinki. The deposits will be payable only on profits of pine sawn goods of quality classes I-V. It will earn 8.75 per cent interest. The export price of pine sawngoods rose last year by 19 per cent and is expected to rise a further 16 per cent this year, according to the Finnish Ministry of Finance.

Iran trade commission

Iran's Commerce Ministry has formed a trade commission to supervise the country's trade exchanges with EEC member nations, agencies report from Tehran. A Ministry official said the commission would have responsibility for import-export activities, particularly involving West Germany, whose commercial agreements with Iran were to be reviewed and evaluated.

Pressure grows for UK-Argentine trade

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

BRITISH business interests are pressing discreetly but firmly for a resumption of trade with Argentina, though the balance of trade, when it is resumed, is expected to be markedly in Argentina's favour.

The import of all Argentine goods, with the exception of books, is banned under emergency legislation dating from World War II. HM Customs has been assiduous not only in banning direct imports from Argentina but also in checking on items, possibly of Argentine provenance, entering Britain from third countries.

While Anglo-Argentine trade in 1981, the last full year of normal trading, amounted to £298m, exports to Argentina in the first 11 months of last year amounted to just £4.9m and imports from Argentina to £510,000.

No British restriction on exports to Argentina exists, and British sales have been dependent on the degree of urgency that British goods have been needed by Argentine importers. A large consignment of whisky was sold to Argentina at the height of the hostilities in 1982.

Supporters of a resumption of trade with Argentina argue that trade, being supposedly beneficial to both sides, is a useful first step in a normalisation of relations which has to come about some time.

Those concerned with Anglo-Argentine relations, including some parts of Whitehall, say the lifting of the ban on imports from Argentina could form part of a British response to the more conciliatory attitude on the Falklands question adopted by the new civilian government of President Raúl Alfonsín in Buenos Aires.

British businesses in Argentina are still subject to government-appointed *interventores* or overseers, and are still forbidden to dispose of assets, though there have been few complaints of outright interference by the overseers. *Interventores* have been removed from British banks operating in Argentina, and British companies may remit profits with no more restrictions than those placed on other foreign businesses.

British importers are keen in particular to resume purchase of various kinds of Argentine cereals. Argentina, for its part, is unlikely to be a large market for British products given the extreme shortage of foreign exchange in Buenos Aires. There is speculation, therefore, that Argentina might run up a surplus of perhaps £50m a year if trading were to be resumed with Britain.

Business interests are expected to be represented on the newly-formed South Atlantic Committee which is expected to announce its aims and membership today.

Mr Tam Dalyell, the back bench Labour MP with a particular interest in the South Atlantic is expecting answers next week to 110 questions he has tabled in the House of Commons on topics to do with the Falklands and Argentina.

TECHNOLOGY

EDITED BY ALAN CANE

FAILURE TO AGREE ON WAVELENGTH THREATENS MOBILE RADIO PLAN

French TV holds up the buses

BY PETER MARSH

LACK OF agreement between Britain and France over allocation of radio frequencies is delaying a £54m exercise in providing new radios for British public service vehicles such as buses.

Despite several years of effort, Government officials in London and Paris have still to agree on how to split up a specific part of the spectrum that, by international accord, is to be used for both TV and mobile radio.

This part of the spectrum, from 174 MHz to 225 MHz, is earmarked in Britain for an important group of mobile radio users. These include bus operators and gas and electricity boards.

This group accounts for roughly 60,000 of the 320,000 vehicles in Britain which use mobile radio. The public-service vehicles must change over to the new band because the frequencies they now use, from 100 MHz to 104 MHz, are required for radio broadcasting.

To convert existing radios to the new frequencies would be too expensive. So over the next few years, the public-service fleets must buy new sets worth an estimated £54m.

Bus operators and the gas and electricity boards must complete the change by 1995.

In the UK, the higher frequency band will next year become available to people who use mobile radio, after the BBC stops TV transmission in this part of the spectrum.

But the French broadcasting organisation, TDF, is not showing the same consideration.

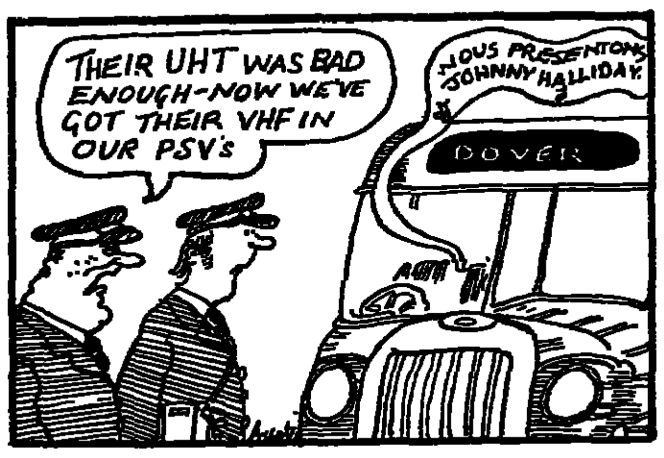
TDF plans a new TV service that will broadcast this range of frequencies at a high power. Unless Britain and France reach a common view on how to split up the spectrum, mobile radio users in southern Britain will suffer interference.

An official at the Department of Trade and Industry said: "Negotiations have not reached a stage where we can give mobile users in Britain specific frequencies. There have been delays because this is a very complex problem."

The department hopes to reach agreement with France by the summer. After this, detailed planning for the changeover can go ahead.

The two Governments will have to pinpoint regions of their countries in which transmissions on particular frequencies will be allowed between vehicles. These will be co-ordinated with the range of the spectrum in which TV broadcasts will take place.

The position is complex because officials in Paris also have to fit into this plan the requirements of their own mobile radio users who will share the same band.



To complicate matters still further, Britain is involved in another set of talks with Eire, which plans to continue TV broadcasts in the 174 MHz to 225 MHz slot. The broadcasts threaten to interfere with mobile radio communications in the western part of Britain.

Such problems were probably never contemplated at the 1979 World Administrative Radio Conference, which suggested that TV transmission and mobile radio could share the same band.

The administrative delay is causing problems for the gas and electricity boards, according to Mr Cliff Dadson, technical secretary of the joint radio committee set up by the nationalised power industries.

Mr Dadson says that to replace the 40,000 radios in vehicles owned by gas and electricity boards and the National Coal Board will cost £40m.

The power industries intend to start ordering new equipment from next year. But according to Mr Dadson, who is the head of the telecommunications division at the Electricity Council, they cannot begin this until the Government allocates specific frequencies.

"We want to get stuck into the planning. You can't just go out and spend this amount of money overnight. The whole issue is fraught with problems of interference that have to be settled."

Mr Brian Oliver, principle systems engineer in charge of buses at London Transport, estimates that Britain's 100 or so bus operators will have to spend £14m re-equipping their fleets. This is to provide radio hardware for 20,000 buses, a quarter of them owned by London Transport.

The bus industry has proposed to the Government a new frequency scheme that would set radio standards for all of Britain's operators.

This would provide common signalling between the organisations that run different bus fleets. In this way, buses other than those owned by the same organisations could communicate with each other. This could help operators to link their schedules with other fleets.

Officials at the Department of Trade and Industry cannot approve the scheme until the agreement with France is finalised.

Emergency services are also affected by the change in frequencies. The Home Office faces a £50m bill for replacing the 15,000 radio sets owned by the police and the 6,000 that firemen operate. The two services also share 300 fixed radios.

But the emergency services are to move to a frequency band around 150 MHz which is to remain free of TV transmissions.

MEDICAL DIAGNOSTICS

Finnish angle on NMR scanning

BY HILARY BARNES

WHEN THE Finnish medical equipment company Instrumentarium made an issue of American Depositary Certificates in New York last autumn, as the first Finnish company to do so, the cash-rich Finn did not do so for the money.

It was equally important for Instrumentarium to use the opportunity to make its name more widely known to the American public as an aid to the marketing of its medical products.

Foremost among the products which the company is planning to market is a new departure in the field of diagnostic scanning equipment, using nuclear magnetic resonance (NMR) technology.

Unlike normal X-ray equipment or computer tomography scanners, NMR equipment does not expose the patient to X-radiation. Hospitals are therefore expected to show a strong interest in NMR scanners over the next few years.

Several companies, among them Oxford Instruments in the UK, have developed whole body scanners using NMR techniques and Instrumentarium has built its own whole-body scanner for experimental purposes, which is being used at the Helsinki University Hospital.

The Finnish company has decided to leave the big machines, which require the use of heavy and expensive super-conducting magnets operating at very low temperatures (minus 269 degrees Celsius), to other companies and has developed a special version of the NMR scanner.

The Instrumentarium equipment, which it calls an acute scanner, is for diagnosing haemorrhaging and other collections of fluids in the body; it is expected to gain widespread use in casualty departments. The company claims that the equipment will be more effective for its special purpose, and not more expensive to buy, than top quality X-ray equipment or ultra-sound equipment.

The principle of NMR technology is that certain atomic nuclei resonate when stimulated by radio frequency energy, producing a corresponding radio frequency energy which can be detected electronically and used to build up a picture on a screen of what is happening in the body.

For diagnostic purposes, the images are obtained by placing the patient in a magnetic field surrounded by a combination of varying magnetic fields and radio wave energy.

For high resolution pictures, super-conducting magnets are essential, but whole body scanners using super-conducting magnets have certain disadvantages in that they are expensive —about $1.5m a piece, said Instrumentarium, and so heavy, at around seven tonnes, that they require specially-reinforced structures to bear them.

Instrumentarium has instead chosen to develop a scanner using a conventional resistive magnet for limited diagnostic purposes which do not require high resolution images. The equipment weighs about 850 kg and costs a more modest $150,000 or less.

"The marketing experts say this is going to be a billion dollar business within a few years, with demand for several hundred NMR machines a year," said Mr Matti Kavetvuo, Instrumentarium's president. "The hospitals want them because to them NMR stands for No More Radiation."

Instrumentarium, one of the 20 most profitable Nordic companies in 1982, was founded in 1900 to import surgical instruments.

With a 1982 turnover of Mks 690m ($116.1m), it is Finland's leading distributor of hospital equipment and supplies.

It is only fairly recently, however, that the company has turned to export markets for expansion, with exports rising from 7 per cent of sales in 1976 to about 30 per cent in 1983, of which about half is catering equipment and most of the rest is medical equipment.

Over the past decade, sales have increased sevenfold, but earnings have kept pace, increasing by about 20 per cent a year, so that the company remains one of the financially most well-founded in Finland. Equity capital and reserves at the end of last year equalled about 47 per cent of the balance sheet total and after raising $15.7m in the U.S. market in the autumn, its financial strength is even more formidable.

Semiconductors

X-rays for chip making

A SMALL company in California is one of the first enterprises to sell a new form of chip-making equipment based on X-rays.

X-rays have a low wavelength. So they can produce high-resolution patterns in the lithographic, or printing, techniques used to impregnate circuit elements on slivers of semiconductors.

Micronix of Los Gatos, near San Jose, has licensed technology developed at Bell Laboratories in New Jersey. IBM is another big U.S. corporation that has researched into making chips with X-rays.

In Micronix's machines, X-rays from a palladium source are bombarded at a silicon wafer. They have a wavelength of 0.4 nanometres—one nanometre is a billionth of a metre.

The radiation passes through a mask on which has been printed the pattern that the semiconductor engineer wishes to transfer to the silicon. The mask comprises a membrane based on boron nitride that contains a mesh of fine gold lines.

In X-ray machines for chip-making, the mask is flimsy and difficult to handle. Micronix uses masks just 5 micrometres thick.

The hardware requires a chemical resist that rests on top of the silicon to record the pattern of the circuit elements. This is a complex material different from that used in conventional chip machines that use optical printing.

Micronix uses as a resist a polymer based on chlorine.

At $750,000 Micronix's machine is roughly twice as expensive as chip hardware that "prints" with visible light. But, says the company, it can produce semiconductor patterns in which the distance between individual circuit elements is one micrometre or less, a much better resolution than that available with optical equipment.

CARBON FIBRE FOR AIRCRAFT SEATING

Fuel saving super seats

BY GEOFFREY CHARLISH

TWO-YEAR-OLD Futair of Poole in Dorset, a company that has been exploring the possibilities of ultra-light-weight aircraft seating, has obtained investment funding of £0.25m from Prutec, the high technology venture capital arm of the Prudential Assurance group.

Tests have shown that it is possible to reduce the typical economy class triple seat by up to 2.3 kgs per passenger place. This is because carbon fibre composite material can provide the strength of mild steel or aluminium alloy at about one-fifth and one-third of the weight, respectively.

Futair has recently received an order for its carbon composite seats for use in Airship Industry's type 500 and 600 craft. The first seats will be triples and quadruples and the target weight is 9 lb per passenger place.

The company suggests that if the world's 8,000 operational aircraft were re-equipped with the proposed lightweight seating, the fuel saving would be in the region of £274m a year.

Futair is using load bearing spars and beams in the seats with an inner structure containing carbon fibres and an outer layer employing aramid fibres to give abrasion resistance and fracture toughness. An advantage is that localised highly stressed regions can have increased thickness (difficult to achieve with extruded metal components). Futair is on 0202 683496.

COMPUTER STORAGE

'Micro floppy' that stores 200,000 words of text

SHUGART has launched a double-sided "microfloppy" disc drive that can store one megabyte of data (about 200,000 words of text) on a disc of 3.5 in diameter.

Evaluation units will be available in the first quarter of 1984 and volume deliveries in the second quarter. The unit, designated model 350, is priced in the U.S. at under $200 in OEM quantities.

The 350 is designed to operate with the ANSI standard hard shell cartridge discs with automatic shutter that covers the access window when the cartridge is out of the drive.

There are 80 tracks per side and the track-to-track access time is six milliseconds. After formatting, the capacity is 409 kilobytes per side.

The drive, which has only nine moving parts, will help to reduce the size, cost, weight and power requirements of desktop and portable computers coming on the market in the next year or two.

Dimensions are 1.6 x 4.0 x 6.0 in, the weight 1.3 lb. The drive can transfer data at 250 kilobits per second. More on 04862 24527.

Bank lending surges £1.7bn in December

BY PHILIP STEPHENS

A SURGE in bank lending in December of £1.7bn has left the three measures of money supply targeted by the Government at the top of or outside the ranges set in last year's budget, the Bank of England confirmed yesterday.

The lending, which appears to have gone mainly to finance the continuing consumer spending spree, brought a 1.3 per cent. increase in sterling M3 in banking in December.

The measure has been growing at an annual 11 per cent since the start of the target period in mid-February 1983, compared with the Government's 7 to 11 per cent range for all three aggregates.

The narrow measure of money, M1, is rising by 12.9 per cent, and Public Sector Liquidity 2, which includes all private sector deposits, by 12.1 per cent.

The authorities, however, have sought to calm fears that they may have to push up interest rates to rein back the money supply, pointing out that December's figures were distorted by the unusually long banking month.

The Treasury has also been focusing on rises in the aggregates over the last six months, ignoring the pre-election spending spree which sharply increased money supply growth in the early summer.

Meanwhile peace appears to have broken out between the Treasury and the Bank of England over the targeting of a new measure of narrow money in the next budget.

The Chancellor of the Exchequer, Mr Nigel Lawson, has given a number of broad hints that he wants a different target to replace M1, and the most canvassed option is Mo, for which the authorities have records going back more than 60 years.

Mo consists almost entirely of notes and coins in circulation, and historically grows less fast than the broader money supply measures, implying the setting of two separate target ranges in the budget.

Court bar on sale of De Lorean company

By John Griffiths

THE U.S. bankruptcy court in Detroit has issued an order placing restrictions on any sale by Mr John De Lorean of the Utah company he is alleged to have acquired with funds diverted from the failed sports car company.

Creditors of the U.S. De Lorean company, who claim they are owed $80m, presented evidence to the court alleging that Mr De Lorean was trying to sell the company, Logan Manufacturing Corporation, to a company registered in Nevada.

This company is said to be controlled by Mr Roy Nesseth – a business associate of Mr De Lorean's for many years, who has featured in several civil court actions in the U.S. involving De Lorean business ventures.

Mr Malcom Schlade, representing UK creditors of Mr De Lorean's failed Belfast operation, entered a submission that such a sale would be "a sham transaction, not at arm's length, for less than fair market value."

The court ruled that Mr De Lorean must submit details of any proposed sale of Logan at least 20 days before any transaction.

Logan is alleged to have been acquired by Mr De Lorean with $8.5m deposited with GDP Services, a Geneva-based company. The funds are alleged to form part of $17.65m deposited by U.S. investors and the UK Government-backed Belfast company to pay Group Lotus for developing the car.

None of the money was received by Group Lotus.

Dutch to buy Rolls marine turbines in joint defence deal

BY LYNTON McLAIN

ROLLS-ROYCE is to supply marine gas turbines to the Dutch navy in return for the purchase of the Dutch Goalkeeper anti sea-skimming missile system by the Royal Navy.

The deal, agreed by the British and Dutch governments, is subject to the successful completion of final contract negotiations between Rolls-Royce and the Dutch navy and between the Dutch Signaal company, maker of Goalkeeper, and the Royal Navy.

Rolls-Royce is to supply a total of 16 sets of marine Spey gas turbines, worth £20m, for the Dutch navy's proposed m-class of frigate. Eight frigates are to be ordered by the Dutch navy and each will be fitted with two Spey turbines and two diesel engines, one set of each for each propeller shaft.

The Spey marine gas turbines are to be ordered in line with the ordering of the Dutch frigates, and this is likely to extend over the next 11 years, Rolls-Royce said last night.

Rolls-Royce expects the contract negotiations to be completed later this year when the first marine Spey units for Holland will be built.

Mr Godfrey Pattie, the Minister of State Defence Procurement, said the agreement also provides for greater co-operation with the Dutch in future on the production and purchasing of defence equipment.

The Goalkeeper "close-in rapid firing weapon system" is designed to shoot-down incoming sea-skimming missiles, such as Exocet.

Dissent grows between rival Communist Party factions

BY JOHN LLOYD INDUSTRIAL EDITOR

THE STRUGGLE between the Eurocommunist and pro-Soviet wings of the Communist Party of Britain deepened yesterday with statements from the power centres of both groups.

Mr Gordon McLennan, the party's general secretary, issued a statement to clarify a resolution passed by the party's executive earlier in the week. This was that Mr Tony Chater and Mr David Whitfield, editor and assistant editor of the party's daily newspaper, the Morning Star, "ought to be replaced."

Mr Chater and Mr Whitfield are leading members of the pro-Soviet wing. Mr McLennan and the majority of the executive are either Eurocommunists or have sympathies in that direction. The Eurocommunists have no particular affinity with the Soviet Union and are regarded as trying to adapt Marxism to contemporary circumstances.

The party has 15,000 members in Britain and the newspaper has become the focus for dissent from the executive's swing towards Eurocommunism. Because the Morning Star is nominally independent of the executive – it is controlled by the People's Press Printing Society (PPPS) – it has defied both the political change in the party and resolutions at last year's party congress which were designed to bring it into line.

An article on the Morning Star's front page yesterday said a statement from the PPPS made clear that the society's management committee had never questioned the competence of Mr Chater or Mr Whitfield.

The joint concern of the society and the editors was to "push ahead with the plans and proposals to secure the paper's financial future as quickly as possible."

It appears the two sides remain on a collision course. A meeting between the PPPS and the executive which had been called for Monday has been post poned.

The executive is clearly determined to regain control of the newspaper which, the executive members believe, is a centre of opposition rather than of support.

The Morning Star's circulation is about 30,000

Print jobs pact sought

BY OUR LABOUR STAFF

NGA, the print union, is close to an agreement with the technologically-advanced Portsmouth and Sunderland newspaper group which will lead to some of its members doing sub-editing work now carried out by journalists.

The company is prepared to allow the NGA a toe-hold in the editorial department in the hope of easing progress towards a single-keying agreement by which editorial and advertising staff can send material direct to typesetting.

The move is likely to provoke conflict with the National Union of Journalists who have traditionally organised the sub-editors.

Union bank to be an 'investment catalyst'

BY DAVID LASCELLES

UNITY TRUST, the new trade union banking venture due to open in London shortly, will be run on sound banking principles and will not engage in "hairy or stupid" schemes, according to its management.

It will also be politically non-partisan. But its lending policies will be shaped to create jobs and, by giving trade union blessing to projects, act as a catalyst for new investment.

Mr Terry Thomas, the managing director, said yesterday that the Bank of England had insisted that Unity have the backing of an established bank and be run by experienced bankers as a condition for a deposit-taking licence.

The Co-op Bank, one of the UK's ten clearing banks, is putting up half the voting stock of the venture and is supplying the top management. The unions will supply nine representatives to the 17-member board.

Over 30 trade unions with 6m members have promised to invest £1.5m and a number of unnamed "sympathetic organisations and individuals" have put up money. Including the £1.25m from the Co-op, this will enable Unity to build a balance sheet of £15m.

A notable omission from the founder members is the AUEW, the UK's second largest union.

IMPALA PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

STATEMENT TO SHAREHOLDERS

On the 12th January 1984, virtually the entire black work force of about 1.400 at the company's refineries in Springs refused to report for work in protest against the dismissal on 11th January of seven of their number. This constituted an illegal strike as the strikers did not follow the procedures laid down in South African law for the resolution of disputes and grievances.

Discussions were held between Management and representatives of the striking workers, who intruded several other issues into the dicussions.

On 13th January Managment, with the proviso that the work force first return to work, made an offer which included an invitation to the seven dismissed employees to make representation. The worker representatives rejected this offer. An ultimatum was accordingly issued to return to work or face dismissal. In keeping with the intransigent attitude adopted by the workers throughout, the ultimatum was not met. All the strikers were accordingly dismissed, and the neccessary steps are being taken to replace them.

Management considers that it has acted fairly, reasonably and lawfully throughout these happenings.

This disruption will not affect the company's ability to meet its contractual commitments to its customers.

Johannesburg, 19th January 1984.

COMPANY NOTICES

TRANSVAAL GOLD MINING COMPANIES ADMINISTERED BY ANGLO AMERICAN CORPORATION FINAL DIVIDENDS—FINANCIAL YEARS ENDED DECEMBER 31 1983

On January 19 1984 dividends were declared in South African currency, payable on March 18 1984 to members registered in the books of the undermentioned companies at the close of business on February 10 1984, and to persons lodging their share warrants to bearer and talons issued by The South African Land & Exploration Company Limited at the office of the United Kingdom transfer secretaries Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

The transfer registers and registers of members will be closed in each case from February 11 to 24 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about March 15 1984. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on February 13 1984 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 10 1984.

The effective rate of non-resident shareholders' tax for the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
Elandsrand Gold Mining Company Limited	3	20 cents
The South African Land & Exploration Company Limited	85	30 cents
Vaal Reefs Exploration and Mining Company Limited	55	610 cents
Western Deep Levels Limited	44	215 cents

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: R. S. Edmunds
Divisional Secretary
Johannesburg
January 20, 1984

London Office:
40 Holborn Viaduct,
London EC1P 1AJ.

aac

The Mortgage Bank and Financial Administration Agency of the Kingdom of Denmark

U.S.$ 100,000,000
Guaranteed Floating Rate Notes due 1989
Series LXIII

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from January 12, 1984 to July 12, 1984 the Notes will carry an interest rate of 10 7/16 % per annum.

The interest payable on the relevant interest payment date, July 12, 1984 against Coupon n°6 will be US$ 5,276.74 per Note.

Agent Bank
KREDIETBANK
S.A. LUXEMBOURGEOISE

BRISA AUTO ESTRADA DE PORTUGAL S.A.R.L.

LOAN OF EUA 15,000,000
8¾% 1974 1989

Bondholders are hereby informed that amortisation due on February 6 1984, for which an amount of EUA 1,000,000 is planned, has been effected by a draw by lot.

Following this draw which took place on January 10 1984, in the presence of Madame Jeanne HOUSSE, Huissier de Justice at Luxembourg, the 1,000 bonds of EUA 1,000 bearing numbers

7558 to 8571

inclusive taking account of numbers already drawn for preceding instalments will be redeemable at par, coupon at February 6 1985 and subsequents attached, as from February 6 1984 date at which they will cease to bear interest.

The following banks will carry out the redemption of the said bonds and the payment of interests due on February 6 1984:
CREDIT LYONNAIS, Luxembourg—CREDIT LYONNAIS, Paris—KREDIETBANK S.A. LUXEMBOURGEOISE, Luxembourg — COMMERZBANK A.G., Frankfurt Main — BANQUE BRUXELLES LAMBERT S.A., Brussels — AMSTERDAM-ROTTERDAM BANK NV, Amsterdam.

It is recalled that the following bonds previously drawn by lots, have not yet been presented for repayment:

6 February 1979.
No. 200.
6 February 1980
Nos. 9186, 9187, 9188, 9189
6 February 1982
Nos 2891, 2892, 2893, 2894, 2895, 3083, 3148, 3149, 3150, 3151, 3152, 3156, 3157, 3181, 3200, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3570, 3707
6 February 1983
Nos 5380 to 5363, 5392 to 5396, 5426 to 5435, 5442 to 5444, 5447 to 5451, 5456, 5461, 5464 to 5470, 5480 to 5488, 5492, 5498 to 5498, 5501, 5504 to 5508, 5510 to 5521, 5523 to 5532, 5541 to 5550, 5556, 5563 to 5574, 5619 to 5629, 5643 to 5645, 5653 to 5656, 5670 to 5675, 5746, 5761 to 5762, 5704 to 5813, 5887 to 5898, 5943, 5909 to 5976, 6149 to 6152, 6156 to 6187, 6240, 6253 to 6265, 6275 to 6278, 6303, 6330 to 6334.

Amount remaining in circulation after this tenth instalment:
EUA 7,000,000.

The Fiscal Agent
CREDIT LYONNAIS
Luxembourg

SOLVAY & CIE S.A.

The Directors of the Company have declared an interim dividend for 1983 of 70 FB net on A and B shares and 33.25 FB on C shares (the latter are 50% paid up but give right to 47.5% of the dividend).

Payment will be made by Belgian Franc, Draft, or in sterling at Bankers sight buying rate for BF's on day of presentation at the option of the holder, against presentation of coupon No. 31 at the offices of J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2, or Banque Belge Limited, 4 Bishopsgate, London EC2, between the hours of 10 a.m. and 2 p.m. (Saturdays excepted) on or after Tuesday 24th January 1984.

U.K. Tax will be deducted from the net dividend unless lodgements are accompanied by the necessary Affidavits.

Payments can only be made to persons residing outside the Belgo-Luxembourg Customs Union.

Under the terms of the U.K.-Belgium Double Taxation Convention shareholders residing in the U.K. are eligible, upon submitting a duly completed form 276 Div (G.B.) to a partial reimbursement of Belgian Withholding Tax equal to 13.33% of the net dividend.

Further information, if required, can be obtained from the above-mentioned Agents.

UNITED PLANTATIONS BERHAD

(Incorporated in Malaysia)

NOTICE OF DIVIDEND

NOTICE IS HEREBY GIVEN that in pursuance of a resolution passed by the board of directors an interim dividend of 5 per cent less 40 per cent Malaysian tax was declared in respect of the year ended 31st December 1983 (i.e. a net dividend of 3 per cent).

Notice is also hereby given to holders of Share Warrants to Bearer that Coupon No. 77 detached from Share Warrants to Bearer should be presented for payment in accordance with the above mentioned resolution on or after the 14th February 1984 to the Hongkong Bank Group's London Office, the Hongkong and Shanghai Banking Corporation, P.O. Box 199, 99 Bishopsgate, London EC2P 2LA.

BRAZILIAN EQUITY HOLDINGS S.A.
Registered Office:
LUXEMBOURG, 15 rue Aldringen

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting of shareholders will be held at 27 Avenue Monterey, Luxembourg on 6 February 1984 at 11.45 a.m. for the purpose of considering and voting upon the following matters:

1. To hear and accept the reports of:
   (a) the directors;
   (b) the statutory auditor.
2. To approve the balance sheet and the profit and loss account for the financial year ended 30 September 1983.
3. To decide on the allocation of the unappropriated loss.
4. To discharge the directors and the auditors with respect to their performance of duties during the financial year ended 30 September 1983.
5. To approve the payment of the directors' fees.
6. To elect the directors to serve until the next annual general meeting of shareholders.
7. To elect the auditors to serve until the next annual general meeting of shareholders.
8. Any other business.

The shareholders are advised that no quorum for the annual general meeting is required and that decisions will be taken by the majority of the shares present or represented at the meeting with the restriction that no shareholder either by himself or by proxy can vote for a number of shares in excess of one-fifth of the shares issued or two-fifths of the shares present or represented at the meeting.

In order to take part in the general meeting of shareholders of 6 February 1984, the owners of bearer shares are required to deposit their shares three business days before the meeting at the registered office of the company or with Banque Générale de Luxembourg, S.A., 27 Avenue Monterey, Luxembourg

Bearer or registered shareholders should lodge their proxies with the company three business days before the meeting.

THE BOARD OF DIRECTORS

BRAZILIAN EQUITY HOLDINGS S.A.
PROPOSED RESOLUTIONS TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING

First resolution
That the general meeting hereby receives and adopts the reports of the directors and the statutory auditor.

Second resolution
That having received the reports of the Chairman, Investment adviser and the statutory auditor, the general meeting approves the balance sheet and the profit and loss account for the financial year ended 30 September 1983.

Third resolution
That the general meeting hereby discharges the directors and the statutory auditor of any liability arising out of their term of office for the year ended 30 September 1983.

Fourth resolution
That the general meeting approves the payment of the directors fees at U.S.$4,000 for one director and U.S.$1,000 for each of the other directors.

Fifth resolution
That the general meeting hereby elects the directors of the company to serve until the next annual general meeting of shareholders

Sixth resolution
That the general meeting hereby elects the auditors to serve until the next annual general meeting of shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

An extraordinary General Meeting of shareholders will be held at 27 Avenue Monterey, Luxembourg, on 6th February 1984 at 11.50 a.m. (or so soon thereafter as the Annual General Meeting on the same day shall have been concluded or adjourned), for the purposes of considering and voting upon the following matters:

1. That Article 7 of the Articles of Incorporation be amended by adding to it the following paragraphs:
   "The Corporation may repurchase its shares
   (a) by purchasing shares through any Stock Exchange on which the shares of the Corporation are listed;
   or
   (b) if the Corporation so determines, at a price determined by the board of directors from time to time, and, whenever such price is determined, all shareholders shall be entitled to present their shares for the repurchase at that price, provided that, if the number of shares tendered for repurchase exceeds the number of shares offered for repurchase by the Corporation, or the number of shares which the Corporation is authorised to repurchase pursuant to the limitations set out hereafter, the shares to be repurchased will be allocated among the shareholders in proportion to their shareholdings.
   The Corporation is authorised to repurchase its shares only to the extent that the amounts to be paid for repurchase shall not exceed the net surplus, reserves and profits carried forward standing in the Corporation's balance sheet at any time.
   The Corporation may resell any shares so repurchased through any Stock Exchange on which the shares of the Corporation are listed."
2. That the present share capital of the company consisting of 1,225,500 shares of U.S.$2 par value be consolidated into 612,750 shares of U.S.$4 par value.
3. Subject to the passing of resolution number 2, that
   (a) the par value of the then existing 612,750 shares be reduced to U.S.$1,
   (b) that the issued share capital of the company be reduced from the present U.S.$2,451,000 to U.S.$612,750,
   (c) that the sum of U.S.$31,466 be transferred to legal reserve, and
   (d) that the sum of U.S.$1,806,784 be transferred to the share premium account

Shareholders are advised that a quorum of 50% of the shares outstanding is required for the Extraordinary General Meeting and that decisions will be taken by a majority of two-thirds of the shares present or represented at the meeting.

In order to take part in the Extraordinary General Meeting of shareholders the owners of bearer shares are required to deposit their shares three business days before the date of the meeting, 6th February 1984 at the registered office of the company or with Banque Générale du Luxembourg S.A., 27, Avenue Monterey, Luxembourg

Bearer or registered shareholders should lodge their proxies with the company three business days before the meeting.

THE BOARD OF DIRECTORS
12th January, 1984.

Agreement sought for satellite broadcasting

BY RAYMOND SNODDY

AT LESS than 24 hours' notice, the Department of Trade and Industry (DTI) yesterday convened a meeting with all parties concerned in Britain's attempt to start direct broadcasting by satellite (DBS).

The meeting is believed to have discussed the outlines of a possible co-operation agreement.

The discussion included Lord Thomson, chairman of the Independent Broadcasting Authority (TBA). Mr Stuart Young, chairman of the BBC, Mr Paul Fox, chairman of the Independent Television Companies Association (ITCA), and representatives of United Satellites.

They met senior officials from the DTI, and the Home Office. The meeting was significant, an official said, because it was the first time that all sides had been brought together.

It is being seen as a sign of progress in moves to prevent the collapse of the project set up by Unisat, which comprises British Aerospace, GEC-Marconi, and British Telecom DBS. Previous meetings have been between Unisat and government ministers, and between the chairmen of the BBC and IBA.

Leon Brittan

It is also the first direct involvement by the ITV companies. Mr Brian Tesler, chairman of London Weekend Television and chairman of the ITCA working party on cable and satellite, also attended yesterday's meeting.

Several major ITV companies are becoming alarmed at the attitude taken to DBS by Mr John Whitney, director general of the IBA.

They believe his emphasis on competition over DBS could prevent any DBS system being launched in the UK. "You can't have competition until a market has been created." one senior official said yesterday.

IBA officials were, however, emphasising yesterday the difficulties – legal and practical – of co-operating in space with the BBC.

Mr Leon Brittan, the Home Secretary, confirmed yesterday that the Government would stick with C-MAC as the technical standard for the receiving equipment for DBS. The sound system will be the French packet digital sound system.

Dover is busiest passenger seaport

By Erin Hennessey

DOVER is still Britain's busiest passenger and vehicle seaport, according to details for 1983 disclosed by the Dover Harbour Board yesterday. Just under 14m passengers used the ferries in 1983, an increase of about 1 per cent on the previous year.

More people are now travelling abroad by coach through the Port of Dover than by car. "There has been a general movement away from cars towards coaches over the last year," Mr Jonathan Sloggett, managing director for Dover Harbour Board said yesterday.

Dover, however, is still the largest roll-on, roll-off port in Europe. It is also spending about £10m on new coach and passenger facilities

The total volume of cars passing through Dover last year fell by 2.5 per cent just over 1.58m cars compared with 1982. However, the total volume of coaches increased by 6.8 per cent to 128,000 compared to just under 120,000 coaches in 1982.

Mr Sloggett also said that day trips from Britain to France had become very popular and that people from as far away as Scotland often came down for one-day shopping trips to France. He believed the strength of the pound against the franc (with the pound increasing against the franc by about 11 per cent from January 1983 to January 1984) had encouraged this trend.

The overall number of holiday motor vehicles dropped by almost 2 per cent from 1982 – 35,000 fewer at 1,743,740. The Harbour Board believes that perhaps cheaper air fares, problems with the recession, and French travel restrictions all added to this downturn. Just under 700,000 lorries passed through Dover docks last year, a 13 per cent increase, with tonnage of cargo handled – just over 8m tonnes – up by nearly 11 per cent.

DIRECTORS ATTACK GOVERNMENT POLICIES

Tax cuts of £1bn urged

BY PHILIP STEPHENS

THE GOVERNMENT should give higher priority to tax cuts than to reducing inflation, interest rates or the public sector borrowing requirement (PSBR), the Institute of Directors said yesterday.

In a sharp attack on the Government's economic policies, the institute called for more than £1bn worth of tax cuts in the March budget, coupled with much tighter control of government spending.

Mr Walter Goldsmith, the institute's director-general, said that the Prime Minister's failure to give an unequivocal pledge to reduce the burden of taxation was "patently not good enough."

He added: "This budget is a credibility test of whether Mrs Thatcher and her Government are really committed to the radical spending and tax-cutting policies that are necessary to sustain economic recovery."

The institute said its priorities were indexation of tax thresholds marginally above the amount needed to keep pace with inflation, a reduction in income tax of 1p in the basic rate of 30p in the pound, and if possible, a further rise in thresholds.

Those measures should be accompanied by lower income tax rates for the highest paid and cuts in the maximum rate of capital transfer tax and in capital gains tax.

"The reduction of taxation through the control of government spending is not just one of a number of desirable aims of policy; it should be at the heart of the Government's programme," the institute said.

The cost of the proposed package is put at £1.3bn after excise duties (chiefly levied on petrol, cars, alcohol and tobacco) and value-added tax have been uprated in line with inflation.

Mr Goldsmith called for other measures to reduce costs for business, including tax concessions for share purchases, increased business assets relief, a cut in corporation tax and full indexation of capital gains.

The institute casts doubt on the value of a strict target for the PSBR as long as monetary growth is kept under control. It urges the Government to step up asset sales to finance tax cuts. The Government's medium-term financial strategy, it says, should be accompanied by a similar fiscal strategy which would allow for £1bn worth of tax cuts every year.

● In its budget submission, the Association of British Chambers of Commerce called yesterday for the Government to inject £4.1bn into the economy over the next two years.

The association said the money should come from a combination of cuts in business costs, increased capital spending and improved incentives at all levels of earnings.

Among its priorities were abolition of the national insurance surcharge (levied on employers), a cut in corporate national insurance contributions in 1985/86, a freeze in gas prices and a reduction in the duty on heavy fuel oil. It also urged the raising of tax thresholds by 2.5 per cent more than the rate of inflation.

Heath delivers a double blow

BY OUR POLITICAL STAFF

SUPPORTERS of Mr Edward Heath, the former British Prime Minister, have seen him in rare form this week. Mr Heath, who believes that the Tory Government's concern with monetarism is both naive and simplistic, emerged from his political wilderness to deliver two damaging assaults on Mrs Thatcher's policies.

Mr Heath lost the reins of the Tory leadership to Mrs Thatcher in the mid-1970s and since then has made no secret of his deep anxiety about the course of Tory economic policy.

On the day that he led a House of Commons rebellion over Government plans to limit the freedom of local authorities to levy local taxes, Mr Heath also turned on Mrs Thatcher at a lecture in the City of London. It amounted to a scathing, analysis of the Government's record.

Policies followed by Mrs Thatcher had deepened the recession, aggravated unemployment and harmed the fabric of the economy, he said. Britain had suffered a deeper recession than other countries in the OECD, due partly to policies deliberately followed by Mrs Thatcher.

She had ended the post-war international consensus which had given the world years of unprecedented stability, growth and prosperity. That consensus had been directed towards increasing the production of wealth in which all could share. But it had been broken on both sides of the Atlantic by governments which thought it best to go their own way and "devil take the hindmost."

Edward Heath

He believed the present inflation level gave Britain the chance to expand in a way which need not be inflationary.

GM signs £1m deal to sponsor football

By Lisa Wood

GENERAL MOTORS, the world's largest motor company, and United Biscuits, Britain's biggest biscuit-maker yesterday joined the growing band of corporate sports sponsors.

The Football Association has secured sponsorship worth about £1m over four years from GM, while Britain's Olympic team has been guaranteed £250,000 from McVitie's, part of United Biscuits.

It is the first time that the FA, the governing body of British football, has entered into sponsorship. Most of its funds have come from receipts of games played at Wembley Stadium, London.

GM's money will sponsor the FA Charity Shield, the big opening game of the British season between the FA Cup holders and the previous season's league champions. Cash will also go to FA coaching schemes, but the FA Cup, the premier competition, which is televised to an audience of some 400m worldwide, is not included in the deal.

McVitie's sponsorship of Britain's Olympic team will be through a wrapper redemption scheme involving 21 products including digestive biscuits and Jaffa Cakes. Specially branded packs are now in shops, and for each token redeemed McVitie's will donate 3p to the British Olympic Association.

The Association has appealed for £1.5m for the 1984 Los Angeles Olympics British team, compared with some £800,000 raised in 1980 for Moscow. Several sponsors have already come forward including American Express, Canon Cameras, Pedigree Pet Foods and Wiggins Teape.

An FA spokesman said: "Our council members have traditionalist views on certain things and it is very unlikely that the FA Cup will ever be sponsored. It is too established to have a name in front of it. It could devalue the event."

NOTICE

TO THE HOLDERS OF
UBK FINANCE B.V.
KUWAITI DINARS 5,000,000 GUARANTEED
FLOATING RATE NOTES DUE 1990

In accordance with the terms and conditions of the notes, the interest rate for the period from 18th January 1984 to 18th July 1984 (182 days) has been fixed at 8 per cent.
Interest for the period will be paid on July 18th 1984 at KD. 199.452 per coupon.

By

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.
(AGENT)

Southvaal Holdings Limited

(Incorporated in the Republic of South Africa)

PRELIMINARY PROFIT ANNOUNCEMENT AND NOTICE OF FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED DECEMBER 31 1983

Financial Results

Subject to final audit, the following are the results of the company for the year ended December 31 1983:

	1983 R000	1982 R000
Royalties received from Vaal Reefs Exploration and Mining Company Limited	186 792	157 029
Interest received	5 665	4 259
	192 457	161 288
Deduct: Administration and other expenses	1 421	1 979
Profit before taxation	191 036	159 309
Deduct: Taxation	88 133	73 180
Profit after taxation	102 903	86 129
Dividends — No. 13 (interim)	55 900	31 200
— No. 14 (final)	46 800	54 600
	203	329
Retained profit brought forward	2 841	2 512
Retained profit — December 31 1983	3 044	2 841
Earnings per share — cents	395.8	331.3
Dividends per share — cents	395	330
Number of shares in issue	26 000 000	26 000 000

Declaration of Dividend No. 14

On January 19 1984 dividend No. 14 of 180 cents a share, being the final dividend in respect of the year ended December 31 1983 (1982: 210 cents), was declared in South African currency, payable on March 16 1984 to members registered in the books of the company at the close of business on February 10 1984.

The transfer registers and registers of members will be closed from February 11 to 24 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about March 15 1984. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on February 13 1984 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 10 1984.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

Dividends

Details of the dividends declared in respect of the year ended December 31 1983 are as follows:

	Dividend No. 13 (Interim)	Dividend No. 14 (Final)
Declared	July 21 1983	January 19 1984
Per share	215 cents	180 cents
Payable to members registered ...	August 12 1983	February 10 1984
Payment date	September 16 1983	March 16 1984

Operations at the Vaal Reefs South Lease area

Copies of the quarterly report of Vaal Reefs Exploration and Mining Company Limited, which gives details of the operations in that company's South Lease area, are available on request from the offices of the company's transfer secretaries.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: R. S. Edmunds
Divisional Secretary

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated P.L.C.
P.O. Box 102, Charter House
Park Street, Ashford
Kent TN24 8EQ

Head Office:
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

London Office:
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
January 20 1984

Copies of this announcement are being posted to all members at their registered addresses

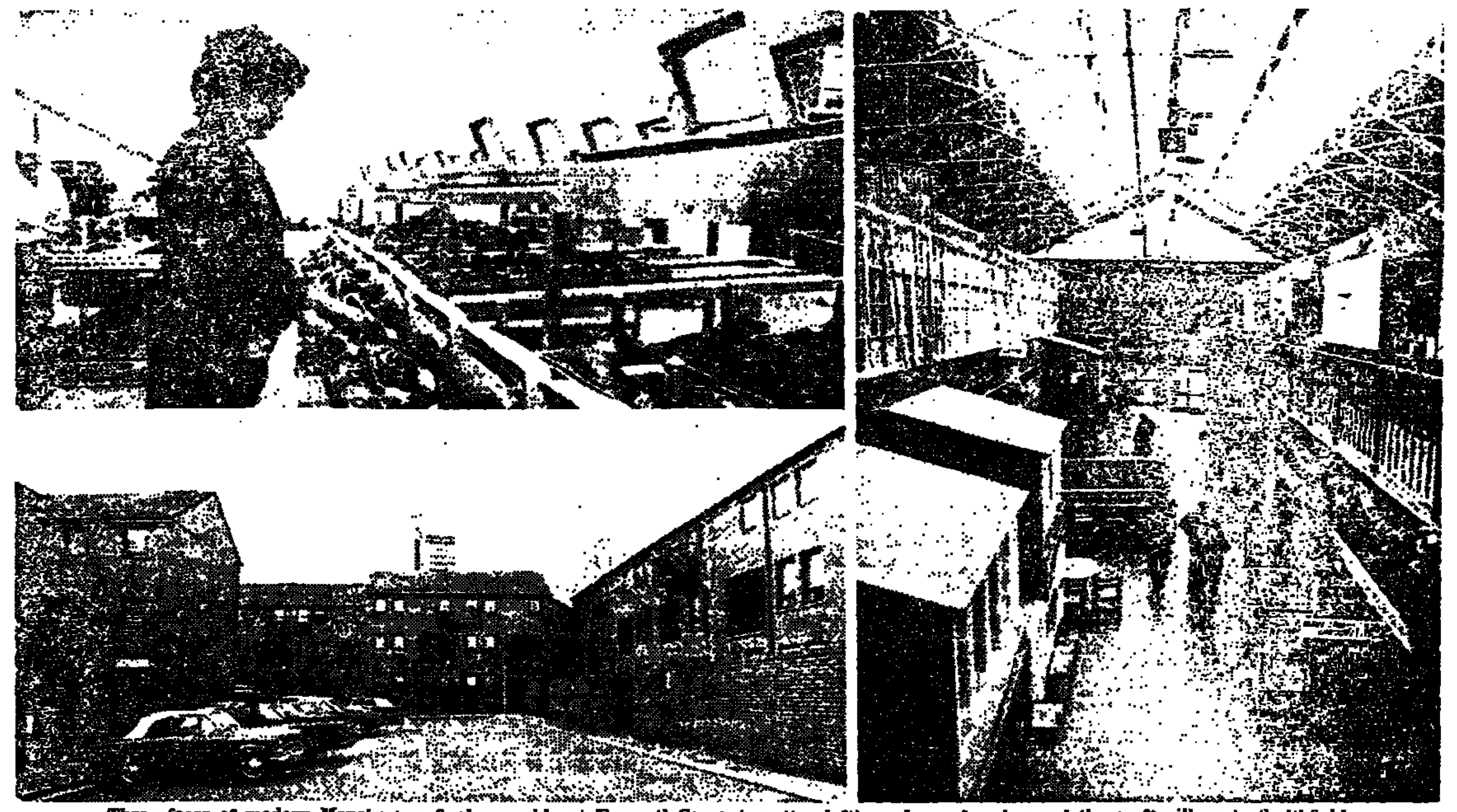
هكذا من الأصل

FINANCIAL TIMES SURVEY

Friday January 20, 1984

Manchester

After some severe setbacks in recent years Manchester's fortunes appear to be on the upturn. Urban renewal and job creation are the city's priorities. Both depend on the city's ability to attract new industry



Three faces of modern Manchester: final assembly at Ferranti Computers (top left); and new housing and the craft village in Smithfield

A STRUGGLE which promises to be both difficult and protracted has begun in the city of Manchester. The positive advantages possessed by the centre of Britain's second largest conurbation are being marshalled together for the first time in an attempt to roll back the impact of remorseless change which has removed some of the foundation stones on which Manchester's prosperity was built.

BY NICK GARNETT

NORTHERN CORRESPONDENT

The results so far are a series of paradoxes familiar to many of Britain's older urban areas. Severe and in some cases worsening inner-city blight rubs shoulders with the signs of new urban renewal. Local authority pleading for urgently needed finance to tackle some of the city's chronic problems mingles with the proud tub-thumping of what was once a leading player on the world's commercial stage.

But the paradoxes of Manchester, a city of 450,000 people at the heart of a conurbation of 2.5m, are not just skin deep. They permeate every facet of life.

The city has probably the largest concentration of foreign banks and consular offices of any English provincial city but the 1981 national census survey showed that, together with Liverpool, it had the highest proportion of its population living in wards suffering "adverse" conditions.

It has a presence of newspapers, radio, television and advertising agencies that marks it out from almost everywhere else outside London. Yet it has a severe skills imbalance with fewer professional people, managers and employers than the national average and many more semi- and unskilled workers. The size of the employment catchment area outside the city's immediate boundaries, however, more than compensates for this in terms of new companies setting up in the city.

Manchester also has a bustling big city feel with a broad range of high quality hotels, department stores and nightlife. Even so it endures an unemployment rate of more than 20 per cent and the second highest percentage of single parent families in the UK.

The clutch of negative factors make up a formidable challenge to planners and the business community, and continuously throw into question the wisdom of government cutbacks on financial assistance.

Apart from industrial decline, recession, unemployment and the scars of urban dereliction in parts of the city, Manchester has to struggle with the continuing burden on its finances and on the rates of its colossal post-war rehousing programme and with companies moving their headquarters elsewhere. Attracting high technology companies is another problem.

There has been a staggering drop of 250,000 in its population over the past 30 years—partly the result of the building of new estates outside its boundary—and the disappearance of 60 per cent of its manufacturing jobs since 1960.

However, the factors in Manchester's favour are also strong. The size of the financial community in the centre and the concentration of universities and other educational institutions—with 25,000 students and a bias towards technical research, computers and management training — are powerful influences.

Manchester International Airport, the biggest outside the south-east, is a major asset. So are the city's cultural institutions and its reputation for possessing a work ethic. There are a whole spread of other influences and institutions, including the burgeoning positive impact in the city centre of the growing Chinese community.

Several major schemes are under way or in the pipeline involving the airport, motorways, roads and rail links to plug some of the gaps in Manchester's transport infrastructure.

All this is being capped by a marked switch in the direction and thrust of policy within the moderate Labour-controlled city council. Once a mainly housing authority the council has redirected itself, rather belatedly, towards urban renewal and job creation.

Some of this activity is geared towards recapturing some of the city's regional centre roles that have been under attack from outside.

This is a reflection of an awkward fact of life for the city—that many of its strengths, such as its educational institutions and its airport, can and are utilised in the promotional drive of other nearby urban areas. What is good for the north-west as a whole may not be particularly beneficial to the city of Manchester.

Focal centre

It also raises the fundamental issue of whether a conurbation needs a focal centre. Manchester of course says it is vital for Greater Manchester that the city's business and cultural presence is protected.

The city council's policy is now much more closely dovetailed into the forward planning of and financial commitment from Greater Manchester metropolitan county council (GMC) and the Greater Manchester Economic Development Corporation as well as the Inner City Partnership with Salford.

All this is manifest in a number of projects under way or completed in the city. These include the current conversion of the Central Station into an exhibition centre under a GMC plan, jointly funded with Commercial Union and public sector sources at an initial cost of £16m; two museums which opened last year; the conversion of several old buildings into craft and other centres; a heritage park; and city centre housing schemes. Some 160 sites have been identified as needing improvements and there are five designated industrial improvement areas.

The council, with the co-operation of the Chamber of Trade has been co-ordinating a programme to try and reverse a decline in Manchester's position in the national hierarchy of the retailing trade.

With the help of four local companies it also set up last year a small science park with direct links into the higher education precinct. It will shortly announce a few ventures which have taken advantage of this development.

Rate burden

The Chamber of Commerce criticises the council for harbouring policies in the past which have not assisted the business community. In particular it says there has been too little concern about transport and the rate burden has been too high. The council is only just now setting up a co-ordinated unit for economic development and the science park has been a long time in coming.

Many councillors accept that the council has neglected economic development. However the lack of interest shown by companies towards a recent Chamber survey on rates suggests it is not the problem some business representatives pretend.

The council has carried out some pragmatic U-turns recently. It has reversed its policy for instance on banning the provision of surface car parking linked to new office development.

Financial presures have also resulted in a corporation workforce cutback of 8,000 to 28,000. That is not something labour politicians are proud of but it's the kind of enforced housekeeping which the business community might applaud.

Transport developments include new facilities at the airport—which is jointly controlled by the city council and GMC and handles 5m passengers a year with more than 40 scheduled and non-scheduled

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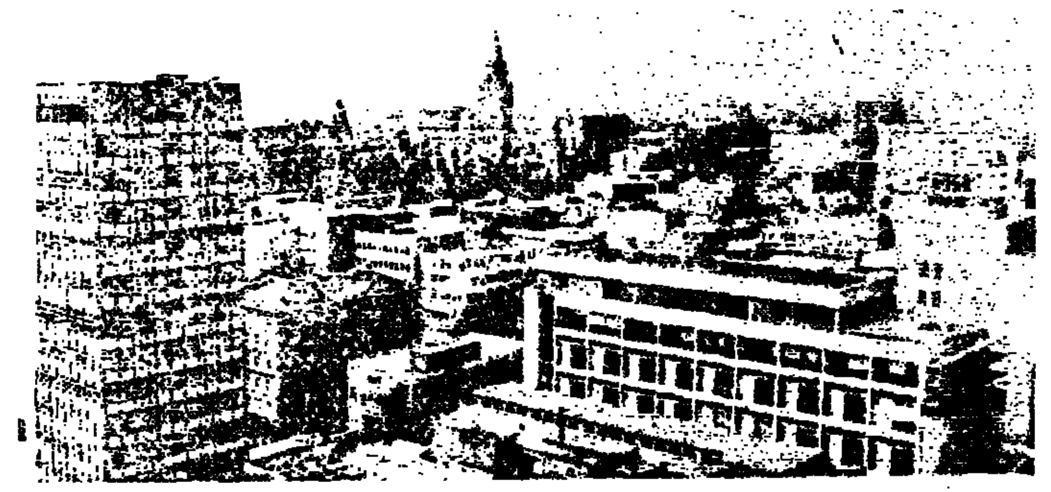
Design and editorial production of this survey by Mike Smith
Photographs: Hugh Routledge

MANCHESTER II

After the worst year ever for business failures, the outlook improves

Banks optimistic that better times lie ahead

Finance



The financial sector: expecting an upturn.

MANCHESTER's banking and financial community, collectively one of the largest regional concentrations of clearers, international banks, merchant banks and associated financial services, started 1984 with confirmation (as if it were not already painfully aware) that last year had been the worst on record for business failures in the region it serves.

A new year opened minus the presence of one of the city's longest-standing overseas banks, Bank of America, and the smaller-scale representation of Bankers Trust. At the same time Refuge Assurance with national headquarters in the city for nearly 120 years seemed poised to answer a not unexpected migratory call south to the leafier setting of North Cheshire, hard on the tracks of a number of accountants and solicitors.

Taken together they were sufficient to spark speculation that Manchester might be seeing the start of a damaging trend. But there was hopeful news in compensation. From more than one newcomer the vibrations were decidedly optimistic, and above all there was a growing feeling that the North West economy was set for better things.

After 1983 it could scarcely have been otherwise, as this January's analysis by Dun and Bradstreet showed. Altogether 1,671 company liquidations were logged, 13.5 per cent more than in 1982, and the story was underlined in year-end returns showing almost 436,000 (15.7 per cent) without jobs in the North West, nearly 6,000 more than at the start. If there was any consolation in a provisional count of 43,250 redundancies on the year it was relative: the year before had seen 67,000.

Nevertheless, at the start of 1984, Manchester bankers' expectations of an upturn varied only in degree of conviction. Mr Norman Snape, North Regional executive director of the National Westminster Bank, identified the improvement as virtually "across the board," but with one significant exception: "It comes across nearly every day that engineering is going to be among the last to pick up."

National Westminster was seeing fewer receiverships, and there were indications of a more favourable shift in findings when the bank called in investigating accountants to assess a troubled company's chances of survival. Mr Andy Baird, the bank's Manchester area director, says: "We're cautiously optimistic, more so at the start of 1984 than we have been for three or four years."

Mr Mike Whitaker, Lloyds Bank deputy North West regional general manager, qualifies his "quietly optimistic" view by pointing out that several large, well-known Greater Manchester companies are not yet out of the wood. "Quite a lot of others are struggling." If the green light comes and they need to go into full production again, where's the money coming from? At present they're hanging on only by their fingertips."

'Remarkable' improvement

ICFC in Manchester points to "quite remarkable" improvements in company profitability and performance. In the final quarter of 1983 ICFC did not record a local failure and the last six months have seen some emerging, if tentative, signs of new capital investment projects, mainly for plant and machinery.

Sixteen months after locating a full range of services in Manchester, Bank of Scotland sees the area as one with "tremendous potential" for economic resurgence. "Our experience has been very encouraging and we have done well," says Mr Mike Murray, the bank's Manchester regional manager.

But Bank of America's withdrawal to Birmingham, from where it intends to service its North West customers, can only be judged disappointing, not only because it coincides with a fairly general change of attitude about the region's economic prospects but because the bank's branch was the forerunner of so many other international banks which have located in Manchester over the last dozen or more years. "A number of problems connected with viability and competitiveness" are blamed.

Bankers Trust's withdrawal is linked to a reappraisal from which it was decided Manchester and North West customers could effectively be served with a full range of services from London.

Mr David Hunt, who has set up a Manchester branch of the Royal Trust Company of Canada to make it one of the newest additions to the city's international financial community, can claim previous experience, as a merchant bank executive, of attempting to serve North West customers from outside the region—in his case, from Birmingham. "To do business in the North West you've got to be seen to be here," he says. "If you leave and say you're going to do it from somewhere else you can forget it." Royal Trust is marketing residential mortgages of £30,000 upwards as part of its personal services on top of a corporate range.

Five years after Citibank established a Manchester presence, resident vice-president Mr Edward Downing sees his organisation "doing exactly the opposite" to some others. "We're expanding our operations worldwide, we've been very happy in Manchester, and experience gained here is being used as a pilot for Citibank's regional expansion elsewhere."

A regional location was seen as important by Banque Nationale de Paris for most effectively providing traditional trade-related services.

Export documentation handling for companies throughout Northern England on a personalised basis is identified by Mr Roger Hildersley, manager of its full Manchester branch operation, as one of its most successful activities. The wider rationale recognised that in a changing and increasingly competitive business world there could be corporate finance advantage to companies in widening banking relationships beyond sole-reliance on clearing banks. Today BNP's Manchester branch "can and does offer as much if not more than any clearing bank branch."

Last year was a good one for Manchester's stockbroking sector and the early tempo set by 1984 has further raised expectations.

Active 1983

1983 was also a busy one for the city's merchant banks. For N. M. Rothschild, which can claim the longest links with the city, it was a particularly active one as lender, deposit taker, and across the corporate spectrum. The branch, one of very few in Manchester equipped to handle a comprehensive range of services *in situ*, including issues, is not alone in ruling out any "meteoric upturn" in the local economy. "It's tough in the North and always has been," says a Rothschild executive.

Meanwhile, two Manchester-based institutions directing national networks from the city can also look back on an active 1983. It was a year in which the Co-operative Bank, the only clearer with Manchester headquarters, was shown by a National Opinion Poll survey to be continuing to make gains in the personal sector at the expense of other banks, opening 2½ times more new accounts than it loses.

The Co-operative Insurance Society is now a market leader in personal insurances, with more than 14m life, household and motor policies in force.

From Manchester it directs a staff of 11,000, including 1,600 in its headquarters building, and although premium income and bonus rates for 1983 have yet to be confirmed, details of new life business transacted show a 22 per cent increase at £58.7m.

Tom Heaney

Policies dovetailed

CONTINUED FROM PREVIOUS PAGE

operators. A £12m expenditure programme is under way, new cargo handling facilities and a satellite extension are scheduled and there is a forward £100m programme over the next 10 years.

The airport has applied to be the home of one of the UK's new freeports and British Midland Airways recently secured approval for a scheduled air service between Manchester and New York via Glasgow. The airport authority is waiting with baited breath for the outcome of the Stansted airport inquiry.

Manchester's road system suffers from a number of handicaps: difficult north to south access, the lack of a ring road and the results of cash starvation for road and sewer repairs.

However, new projects are on the horizon. The M63 Barton Bridge section west of the city is being widened and work is scheduled to start in 1987 on the M66 extension to complete the Manchester motorway box. This is badly needed to help east Manchester. The Princess Parkway southern access road is also being upgraded.

There is no north-south rail route through Manchester but the planned Windsor link is designed to correct that, and there is also a more tentative scheme, known as the Styal Loop, to link Manchester with the airport by rail.

The loss of intermediate area status in 1982 angered the council which already felt itself to be at an unnecessary disadvantage in attracting new industry when compared not only with Warrington and its big promotional budget but other north-western towns and cities which still obtain government assistance. Manchester has also lost companies to the Salford Enterprise Zone.

Nevertheless, Councillor Bill Egerton, the 39-year-old Labour leader of the council, is optimistic.

"Manchester has got to find a new identity," he says. "The council can only act as a catalyst and we need aid from government. It's desperately important that we have a regional centre. I think, though, that we have bottomed out and that we are on the upturn. We've come through some difficult periods and we'll come through this one.

To do so though the city must overcome a number of natural disadvantages and the continuing consequences of its past. The rehousing programme, by which 81,000 houses have been knocked down in 20 years and 70,000 built, forms a large chunk of its £650m debt burden. Few people doubt that rehousing was necessary even though with hindsight much more rebuilding should have been done within the city and there are arguments over how the programme was funded. Changes in grant levels and the way the Government calculates these has "cost" the council £70m to £100m over the past four years.

The city too is lumbered with peculiar geography, being 15 miles long and only 4 miles wide and with the boundary of another city, Salford, pushed up against its shopping centre.

Manufacturing has never been as important to Manchester as many people believe but in the last 20 years, during which it has lost almost 100,000 manufacturing jobs out of 160,000, its white collar employment has grown less than the national average. Even then many of the

Major manufacturers

Manchester does have some major manufacturers. These include two major divisions and the headquarters of machinery and equipment manufacturer Mather and Platt; two Ferranti sites; and ICL's mainframe systems development division at West Gorton. Manchester Steel, Dunlop, Fairey Graphite and Don International are others.

Over the past few years Manchester has lost Aurora Steel (the plant subsequently purchased by Cabot), Johnson and Nephew wire works, B. and S. Massey and Laurence Scott (Electromotors). Severe cutbacks have been made at many other companies, including Renold. Turner and Newall has moved its headquarters to Trafford.

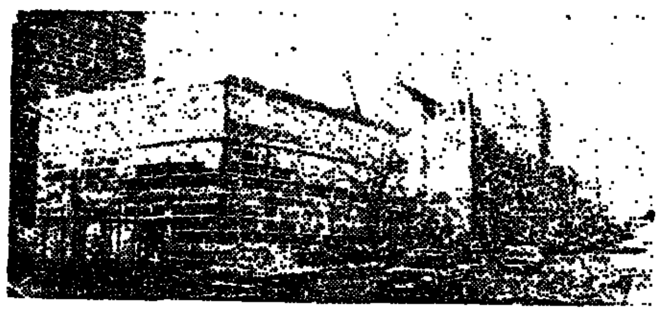
Manchester desperately needs new manufacturers but has struggled desperately to find them. VG Analytical is the only substantial high-tech employer which has moved in over the past few years.

There are also some worrying signs in the financial sector. Although some banks have recently moved in, the Bank of America and Bankers Trust are moving out or have moved out and the headquarters of the Refuge Assurance Company seems to be on the point of relocating in Wilmslow.

The city has a high academic standing

Close links with industry paying dividends

Education



Manchester University: biggest single institution university in Britain.

ONE OF THE largest educational concentrations in Europe is centred on Manchester. Its four principal educational institutions, together with Salford University just a mile from Manchester's city centre provide a very broad range of graduate and postgraduate courses and research facilities for more than 25,000 students.

It is the research links and service relationships with industry, however, which give Manchester such a prominent position in education. The research and development tentacles into industry of the University of Manchester Institute of Science and Technology (Umist) are some of the best developed in the UK and the separate University of Manchester takes a vital position in many computer studies with the country's largest university computer science department.

Manchester Business School's executive development centre with a language centre and a similar one for banking and finance is a healthy rival to the London Business School in its service "to companies" and their managements.

Manchester Polytechnic's joint development of the "Salamander" car for the disabled has demonstrated its basic practical assistance to manufacturing. Though outside the city boundaries Salford University is almost part of the family and has achieved national prominence through its Industrial Centre which, among other things, is responsible for operating the manufacturing advisory service in the North West.

The Government's grant restrictions have caused considerable discomfort for some of these institutions and particular anguish for Salford. To try and compensate for this they have been attempting to build on their fee-accruing research and consultancy work for industry.

Umist attracted in the last academic financial year £6.3m of research income from industry and research councils, 40 per cent rise over the previous year. At £14,000 per academic this slots it into the top three of UK universities.

That income included £234,000 from Du Pont for basic fibre research and £48,000 from the Central Electricity Generating Board for a study of high voltage transmission line corrosion. Instrumentation and analytical science at Umist — the country's newest university department — averaged over £100,000 of research income per academic on a range of research projects from industrial sensors to skin testing.

Umist has 21 departments spanning right across science and technology as well as European studies and management sciences, and the only university degree course in paper science. Its 14 industrial units range from microprocessor engineering to pollution research and its corrosion and protection centre is claimed to be the largest in the western world.

Consultancy

Many of the 1,300 research projects Umist is now undertaking are directly geared to industry. Technical projects include conversion of waste into oil, a pilot plant for which is now being built by Simon Engineering and the application of electronics to physiotherapy equipment.

Much of Umist's contact with outside industry is channelled initially through its research and consultancy service, the first in any British university. A great deal of this consultancy is either of the trouble-shooting type or that of teaching assistance on issues such as quality circles.

Manchester University is the largest single institution University in Britain with 11,500 students. It incorporates the biggest computer science department in the country and a computer centre servicing most of Britain's universities. Manchester developed the world's first stored-programme computer though its subsequent history reflected Britain's weakness in marketing products for profit.

Computers, however, are only part of the university's academic life. It has Western Europe's largest medical school and a very large presence in most facets of engineering. Whole-body scanning and image analysis are two areas in which the university has pushed forward major advances. Its work on the latter has recently been adopted by one car manufacturer for assembly line inspection control.

The university's research on and development of computerised industrial maintenance systems is now wrapped up within its Wolfson industrial maintenance unit which offers a 24-hour "hit squad" service to industry to help in minimising production line down time.

Links with industry were established before the turn of the century and its computer development has at various times pulled it into the arms of Ferranti and ICL. The Barclays Chair of Microcomputing for industry has recently been established and the marine technology centre has received a £3m grant for developing underwater homes for those involved in deep-sea oil and mineral exploration.

As with Umist, Manchester University runs its own research consultancy service and has set up its own company, Vuman, to exploit inventions and developments—on for example lasers, robots, microcomputers and even office furniture—on a commercial basis.

The Manchester Business School offers a range of courses for senior executives and operational managers as well as offering companies the opportunity to "tailor-make" courses to suit their own management development requirements.

There is also a short course programme covering such topics as information technology, management of research and development and European financial management.

The *language learning* centre provides courses in languages for business purposes and this can be linked into the School's business programmes. The international centre for banking and finance is used by all but one of the main clearing banks for banking management development.

The Polytechnic's job definition is to provide a comprehensive range of higher education courses and to establish close links with industry and commerce. Examples of industrial collaboration include polymer engineering, energy saving control systems, magnetic recording of digital data and fibre optics. The polytechnic has also developed a micro-processor based ssytem for testing the accuracy of taxi-meters.

Co-operation

Salford University has a long tradition of research and commercial co-operation with industry. The Industrial Centre, a limited company, carries out feasibility studies, system and process design and consultancy.

The Ministry of Defence, the European Space Agency and the U.S. Air Force are some of the organisations which have used Salford for research and development.

CAMPUS is the body set up to promote connections with industry and companies are encouraged to become members of it as a way of gaining access to the university's academic skills.

Salford has been in the forefront of what is known as "integrated chairs," the intention of which is to follow the West German pattern of having individuals who have professorial responsibilities but also shoulder senior managerial roles in industry.

Nick Garnett

New priority placed on attracting visitors

Making the most of the past

Tourism

On the set at Coronation Street: enormous tourist potential.

IT TOOK a recession to sharpen Manchester's awareness of the economic potential for the future of assets rooted in the past.

The sequel reached a new high point in 1983 with significant public and private investment in projects promoting the city's standing as a tourism centre. With the opening of the first phase of the Greater Manchester Museum of Science and Industry in the historic setting of the world's first mainline rail passenger terminus and the Manchester Air and Space Museum on a site nearby, a start on a major exhibition and events centre, together with hotel development and other visitor-lined schemes, the city signalled its earnestness in staking a claim to a larger share of an industry from which its recent earnings have been estimated at £27m a year.

Tourism means jobs and central to Manchester's commitment is recognition that today it is one of the few relatively labour-intensive growth industries. It is rated sufficiently important to be identified as a priority of a new department of economic development to be set up in 1984 by Manchester City Council, and over the longer term as an industry capable of helping to redress the regional imbalance in service sector opportunities between the south-east and north-west.

Predictably, recent suggestions that government plans for a shake-up of Britain's tourism industry could lead to greater promotion of London are raising Manchester hackles.

The potential threat to the development of regional tourism is, in fact, one of the main planks in the vigorous campaign mounted collectively by northern local authorities against a third London airport at Stansted. With the only designated international gateway airport outside London, Manchester feels it has especially strong grounds for opposition.

No one seriously suggests the city is an embryo Costa del Sol luring holidaymakers for fortnights at a time. Its appeal and potential opportunities lie more in the growing short-break market, in the day trip sector, and in conference tourism, exhibition visitors, business travel, and special interest, youth, educational and ethnic tourism areas.

It has recently been claimed that total conference business has grown to be worth £16m-a-year to Greater Manchester.

Earnings

Greater Manchester Council's conference unit takes a more conservative line, identifying bookings and forward bookings in which it had a direct involvement during 1983 as being worth £4m for the second year running, although this figure does not include hotel conference bookings.

Conference earnings by Manchester University reached £1m a year and 1983 total for UMIST (University of Manchester Institute of Science and Technology) was forecast to pass £500,000, quadrupling vacation income at its city-centre campus in three years.

Manchester is well endowed with industrial archaeology and with its new urban heritage parks it enters 1984 fittingly equipped for a year that promises a national tourism emphasis keyed to the heritage theme.

The setting is Castlefield, for long neglected and sinking into decay on the edge of the city's central core, but now the focus of growing activity generated by local authority initiatives and investment.

Last year saw the inauguration at Castlefield of the first phase of the Greater Manchester Museum of Science and Industry based on a restored Liverpool Road station, a shrine for rail buffs dating back to 1830 and the pioneering age of the Liverpool and Manchester Railway. If the expectations of Greater Manchester Council, backer of the £5m "living museum," are fully realised Manchester will eventually house a major collection of post-Industrial Revolution plant and machinery.

Close by, the award-winning Manchester Air and Space Museum, also opened in 1983, is a £2m Manchester City Council venture which brings together a significant collection of historic aircraft and space hardware.

Completing the urban heritage park are the remains of the city's Roman fort in a landscaped setting and a visitors' centre. A later stage is likely to see Castlefield's importance as a focus of canal history developed as a tourism feature.

New urban tourist attractions on the scale of those in Manchester—and on Merseyside—have implications for day-tripper traffic elsewhere. They are being cited among reasons for a Cumbrian forecast that day visitors to the Lake District National Park, for example, could fall. The reverberations must extend even further afield if Granada Television throws open Coronation Street to tourists.

The company, which has rebuilt the street set at Castlefield, intends to do so, but will not be drawn on when. With 15m viewers for every homespun episode, and an overseas reputation stretching from Australia to North America, the tourism potential of opening up the homeground of Hilda, Stan, Deirdre, Ken, Bet, Uncle Albert Tatlock and the rest must be enormous.

Meanwhile, 1984 promises accelerating progress in transforming part of Manchester's 26-acre former Central Station complex into an exhibition and events centre as part of a £14m project by Greater Manchester Council and Commercial Union.

The station development will not only equip Manchester with a major modern exhibition facility but also, hopefully, serve as a catalyst for further comprehensive development of the site involving total investment in the region of £120m.

According to the Manchester Hoteliers' Association, £20m is currently being spent, or projected, on creating more than 650 new bedrooms and updating hotel facilities generally in the city.

In addition, applications have been with the Department of the Environment since September for urban development grants towards two new hotel developments

The concept of urban development grant being sanctioned for hotel developments has been challenged by the Manchester Hoteliers' Association, which argues that existing non-grant aided hotels would be put at risk, that the net outcome would be job losses rather than job gains, and that there are already sufficient hotel rooms in Manchester.

Tom Heaney

Bad planning and increased competition from nearby cities have contributed to reduced sales

Campaigning to win back the lost shoppers

Retailing

CONSIDERABLE energy and money have been devoted in the past 18 months to squaring up to a serious problem which might threaten the life of many of Britain's older conurbations and which is found in its most severe form within Manchester.

The city council with some assistance from the chamber of trade has been battling against a damaging trend in which retailing business has been slipping away from the city centre—sometimes in a rush.

Some of the pain has been self-inflicted, the consequence of mis-planning. But as the health of retail trade is a visible symbol of vitality and an indispensable plank in any city's economic base, the reversing of this trend is now an important target for economic planners.

It also raises the question of whether a conurbation the size of Greater Manchester and with many large towns surrounding it would suffer if its centre was subjected to a further erosion of its retailing sector.

The City Council says it would if a deterioration in trading performance weakened the city as a regional centre, eroded demand for offices and bred a decay in services such as cultural facilities.

The towns and cities around Manchester, of course, are doing their best to build on the retailing business they have attracted.

The city's programme—so far costing more than £500,000 in spent or committed funds—to bring back lost shopping trade has already shown signs of some success. This is reflected in both retailing turnover and the results of a Manchester Polytechnic study on its effects, and the programme is being watched with interest by other cities.

The programme of Christmas lights, TV adverts, signs, events and irritating jingles has attracted caustic comments—some scathing—from shopping centres like Stockport and Altrincham. It has also highlighted some of the weaknesses in the way retailing businesses can or will work together to help a city as a whole.

Figures before the start of the city's shopping programme in 1982 tell the tale of trading decline. In the September of last year there were 180 vacant shops and 99,000 sq ft of vacant shop space. That represented a 14 per cent vacancy rate.

The position had worsened over that of a year earlier when there were 71 fewer shops vacant though still representing 92,000 sq ft of vacant space.

Manchester stores within the multiples had slipped badly down the national league table of retail sales. One slumped from ninth to 24th, another from fourth to 12th.

Seven principal factors have conspired to generate Manchester's retailing difficulties. First, Manchester itself is surrounded at close quarters by nine other towns each with its own shopping centres.

The Metropolitan County Council has also found it very difficult to persuade other councils in the county to adhere to the county's strategic plan for retailing. A clutch of new shopping precincts were built in the county in the 1970s, giving Greater Manchester more shops and superstores per head of population than any other metropolitan county.

St. Anne's Square in the heart of the city.

Dominance

Demographic changes make up the third factor and are more pronounced than those for any other city, including Liverpool. The demolition of 81,000 houses in the 1960s and 70s and the construction of 22 new estates, most of them outside the city's boundaries reduced population in Manchester's inner areas.

The population of the city as a whole has fallen by almost a third in the past two decades, removing great chunks of potential retailing business from the city centre. Some of that of course has worked to the advantage of Stockport, Ashton Under Lyne and other towns.

The fourth factor was the Arndale Centre whose presence has and will continue to have such a dominating influence on Manchester's retailing.

What proved to be hopelessly optimistic projections by outside consultants of future shopping needs in the late 1960s resulted in a decision to construct what was then Europe's largest covered shopping centre.

The Arndale has 120,000 sq metres of selling space, more than a sixth of the city's total of 717,000 sq metres. It encapsulates 210 shops, 200 market stalls and 20,000 sq metres of office space in a 22-storey block.

Not only was this shopping area too big for the city but while it was being built in the mid and late 1970s, together with other nearby developments, a massive piece of the city's traditional shopping area was just a huge construction hole.

At the same time new precincts were being built in some of the towns surrounding Manchester and the inevitable result was the creation of shopping trends away from the city centre. The Arndale also shifted the heart of Manchester's principal retailing district, severely wounding the retailing health of the Oldham Street and Upper Piccadilly area, some of which is now in a state of decay.

There has been a persistent problem, whether perceived or real of car parking and the city suffers from real north-south access problems and a lack of investment on transport.

The city council's programme, supported by the chamber of trade and individual retailers, some of whom are now co-operating much more closely in looking at the retail trade of Manchester as a whole, is now moving from being a Christmas-based programme in its first year to one that will roll on through 1984.

Trade in the Christmas period 1982 rose 15 per cent above that for the same period in 1981. This was against a national rise of 11 per cent though a number of urban areas estimated that their turnover was up by a bigger percentage than that of Manchester's.

Extension

Nevertheless, this compares very favourably with 1981 when cash turnover in Manchester rose by just 2 per cent compared with an 8.5 rise nationally. Most retailers in the city centre report a cash turnover for Christmas 1983, up on 1982 by an amount in double figures.

The biggest and most costly element in the campaign has been the Christmas lights. It has also involved significant changes in the structure of car parking charges, park and ride services and an advertising campaign in newspapers and on Granada TV and Channel 4, using a snowman with a robin flapping around his head to the jingle of "Manchester—right at the heart of things."

The council though is extending the campaign into a year-round one promoting the city's museums and cultural facilities and it is due to install a permanent colour-coding sign system for the direction of vehicles and the use of car parks.

The chamber of trade has supported the campaign though this has been limited partly because of organisational structure and the fact that individual stores within the multiples can hardly put money into one city campaign at the expense of another town.

The city council expressed initial disappointment at the level of financial support from the retailing community when it was examining the requirements of a campaign in 1981 and was forced to go it alone on funding.

A few stores though, notably Kendal's and Lewis's have each spent more than £1m on modernisations and improvements in the past 18 months. The Chinese community, too, ever industrious and an injector of vital funds into the inner city area, has paid for its own distinctive Christmas lighting.

The campaign, however, still leaves intact the chronic problems of Manchester's second and third tier inner city shopping area. Comparing the Christmas period 1982 with 1981, Market Street showed a 21 per cent increase in cash turnover, the Arndale 15 per cent but Piccadilly just 9 per cent and Oldham Street an actual fall of 3 per cent. Between 1980 and 1982, Oldham Street registered a drop of 21 per cent.

Nick Garnett

Tom Heaney on Manchester's largest trading organisation

The sleeping giant stirs itself into action

Co-operative movement

IN TIMELY Orwellian counterpoise, 1984 is a year of special significance for Britain's co-operative movement. It marks the 140th anniversary of the initiative of the founding fathers whose collective resources of £28 created the Rochdale Pioneers, cladding a social philosophy with the working practicalities of a trading system that was to seed the ground for national and international growth.

As new retail societies were born and the need for centralised wholesale buying grew, it was inevitable locational sights should turn towards a centre with advantages in communications and distribution links. Eight miles from Rochdale lay Manchester, and ever since a decision was taken to establish the Co-operative Wholesale Society in the city in 1863 Manchester has been the unchallenged mainspring of the wider co-operative movement.

Down the years Manchester has seen the loss of a number of head offices of large business organisations through merger or migration south to London, but the Mancunian steadfastness of the Co-op has been unwavering, and not for sentimental attachment alone.

Co-ordinator

"Manchester happens to be well-sited geographically for the rest of the country," says Mr Peter Bushell, assistant general secretary of the Co-operative Union, the movement's central co-ordinating forum, which also has headquarters in the city.

Manchester is home for the headquarters of the Co-operative Insurance Society and also houses that of Co-operative Retail Services, Britain's largest co-operative retailing organisation with sales of more than £900m a year. The former Manchester and Salford retail society, now merged, is the central pillar of Norwest Pioneers, a regional society—there are now 17—ranking sixth largest in the country with sales in excess of £150m a year and now incorporating the historic Rochdale Pioneers.

In total, the Co-op makes up Manchester's largest trading organisation and its contribution to the economy and life of the city has been substantial, from major employer generating at present an estimated 6,000-7,000 jobs (half of them by the CWS) to major ratepayer occupying the largest complex of city-centre buildings in Manchester.

Elsewhere in the city, the CWS operates biscuit, pharmaceutical and packing factories, a bacon warehouse, central laboratories, engineering workshop, grocery and traffic warehouse, and an optical workshop. Only a few miles beyond the city boundary it has a winery, soap and detergent factory, soft drinks factory and a greengrocery packing operation.

Britain's co-operative movement enters 1984 with some grounds for optimism. Trading figures for 1983 will show CWS sales topping the £2bn mark for the first time, although this will have been aided by retail acquisitions in Scotland and Northern Ireland. Nevertheless, in its latest half-year the CWS achieved sales growth of 8.7 per cent, twice the rate of inflation.

Co-operative Retail Services was able to report a £14m improvement in liquidity from trading operations in a year, with volume increase in sales.

The Co-op's rating as a major superstore force was strengthened overnight by last year's £14m CWS initiative in acquiring five Mainstop units from BAT Stores on behalf of retail societies. Most successful retail societies continued to trade well.

But in a number of other directions, progress has been less encouraging and from Manchester, the historic heartland, 1984 priorities will include efforts to inspire a wider sense of realism and more rapid progress towards a number of major goals.

Slimming down of the national retailing structure to 25 regional societies in the cause of efficiency, viability and more effective deployment of resources is behind timetable. Nevertheless, 32 mergers have been achieved over the past 18 months, to leave 124 retail societies.

CWS chief executive Mr Dennis Landau, whose private sector career included managing directorship of Cadbury Schweppes Foods before joining the CWS, has said his greatest difficulty initially was adjusting to "the time-taking nature of the democratic processes" of the co-operative movement.

In a New Year message for 1984, Co-operative Union chairman, Mr Jim Mason, pinpointed an example: "In 1983 two neighbouring societies yet again failed to agree to merge. They have been negotiating on the question on and off since 1913! When will realism become their watchword? Small is not beautiful in the co-operative movement — Sainsbury, Fine Fare, Tesco and the other chains are not making such formidable progress by thinking in terms of being small."

Another challenge for 1984 is progressing joint talks aimed at integrating the CWS and CRS to achieve a powerful vertical grouping.

So far, official comment on progress has been guarded, but is seems clear integration is not going to happen as quickly as some imagined.

The fact that the movement has started 1984 by slipping to third place in packaged grocery market share after Sainsbury and Tesco does not appear to have unduly disturbed it.

The Co-op remains Britain's largest food retailer with annual sales of over £3,000m. It is one of Britain's major food manufacturers, with factories producing goods valued at more than £400m a year, and is investing consistently in its manufacturing operations generally.

It is the country's largest off-licence operator, the biggest farmer, biggest milkman, owner of a leading insurance company and a clearing bank. And it is deeply involved in the most far-reaching programme of retail and wholesale organisational change and rationalisation in the country.

"We're quietly confident," says the Co-operative Union's Mr Peter Bushell. "We've come a long way in restructuring, selling space lost has broadly been matched by new selling space opened, and I think more has been achieved in the past 18 months than in any period in the past dozen years."

An enormous amount remains to be done, especially in strengthening the movement's economic base.

Mr Dennis Landau has estimated that recovering lost market share will demand the doubling of overall capital expenditure from £100m to £200m a year for at least the next 10 years. But the "sleeping giant" of the British economy can no longer be accused of lethargy in bestirring itself.

The new headquarters of the Co-operative Bank

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Drive to forge a new technology reputation

MANCHESTER has suffered the full blast of change and decline in its traditional industrial base without a corresponding growth in the service sector, on which the city is heavily dependent.

Approaching three-quarters of the jobs in the city are in the service areas, while a good deal of the manufacturing base is still in traditional sectors like textiles and mechanical engineering. Between 1961 and 1981, 91,000 of these manufacturing jobs disappeared—by the middle of last year there was almost 4.2m sq ft of industrial space available in the city.

But in spite of Manchester's importance as an industrial and commercial centre, service employment increased by only 6,000 between 1961 and 1971, and then fell by about 9,000 as some service sector jobs moved outside the city.

Manufacturing

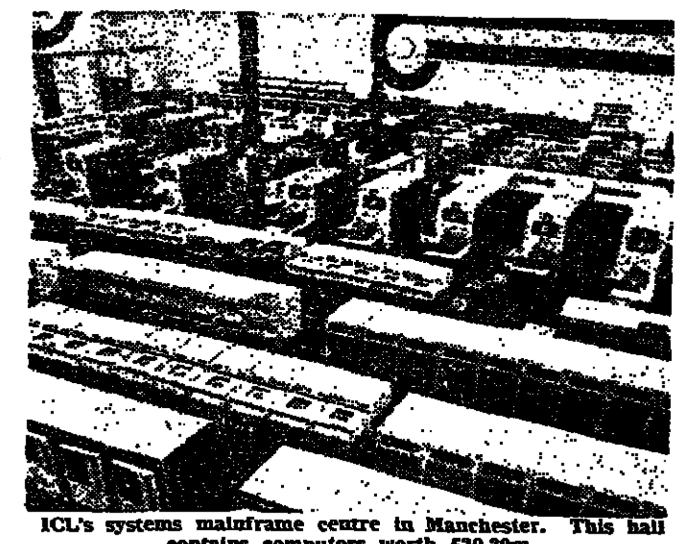
The industrial dereliction resulting from the decline of the old heavy industries has been accompanied by the inevitable growth of a severe unemployment problem. Male unemployment rates in some pockets of the city have nudged the 40 per cent mark.

Everyone concerned with regenerating Manchester's industrial base places particular emphasis on its potential as a high technology centre. A frequently-stressed point is that Manchester's largest manufacturing industries are electronic goods, radar and radio equipment—the area employs one-eighth of the total British workforce involved in these sectors.

The city council places great importance on this aspect of Manchester in its efforts to attract new industry to the city. A new high technology marketing campaign to encourage employers to a development around Manchester Airport is expected to begin soon.

With the drive to give Manchester a new technology reputation, heavily complemented by the city's large higher education sector, great stress is being placed on the development of the 15-acre science park which will open later this year. The project's academic, local authority and industrial backers are determined to create a "genuine" science park, with tenancies restricted to organisations which are clearly involved in high-technology research, development or production.

A.P.



ICL's systems mainframe centre in Manchester. This hall contains computers worth £20-30m.

Alan Pike looks at two companies with world wide interests which have their headquarters in Manchester

Transformed from textiles tradition

ALAN WAGSTAFF, chairman of Tootal Group, presides over his company from an office in a modern central Manchester block.

The building is well-appointed and has touches—like paintings on loan from the city art gallery—which testify to Tootal's long associations with Manchester. But the company's move last year from one of Manchester's Victorian landmarks to this new, more modest Tootal House itself testifies to a huge rationalisation exercise which the group has undergone during the recession.

In 1980, a 136-strong head office staff occupied 46,000 square feet of the old building. The headquarters staff today consists of 65 people housed in 15,000 square feet.

This contraction at the centre reflects the effect of

Tootal Group

rationalisation through the group as a whole. The number of employees worldwide (including overseas associates) has declined from 43,954 in 1980-81 to 34,558 in 1982-83.

The greatest impact of job-losses has been in the UK where employment—once as high as 20,000—has declined from 14,580 to 8,978 since 1980-81.

Management action to get to grips with the group's problems resulted in UK profits almost doubling in unchanged trading conditions during 1982-83. But this was offset by the impact of recession on the company's activities in the U.S., Australia and South Africa.

The more recent stages of Tootal's drive for greater efficiency have therefore been directed at overseas operations. Its thread division now has its headquarters in the U.S., and Tootal has begun the sale of its 49.9 per cent stake in Bradmill, the Australian clothing manufacturer.

Sale of the Bradmill interest is expected to raise more than £20m, which will help Tootal reduce borrowings and interest costs.

The rationalisation of the past few years has largely transformed Tootal from the traditional Lancashire textile company of popular imagination. It has, for example, only two surviving spinning mills. But its restructured textile operations and thread—Tootal is the second largest sewing thread manufacturer in the world—still account in equal measure for the bulk of sales. Another important contribution comes from clothing manufacture, including the group's Slimma operations in Wales, a major supplier to Marks & Spencer.

As part of the drive to improve efficiency the company has made efforts to increase employee involvement and participation, has delegated greater operational autonomy to divisional boards and has looked outside the textile industry for executives to fill important posts.

Mr Wagstaff, looking back from the end of what is at least a major stage of a complex and painful rationalisation, says one decision has never been in doubt—that Manchester should remain the centre of the group's operations. The head office relocation last year gave the company a practical opportunity to consider this issue, but the only decision was between alternative sites in Manchester. Tootal has, in addition, recently invested £9m in modernising its Newton Bank mill.

"We have found Manchester an excellent centre for our headquarters activities," says Mr Wagstaff. "It combines first-class communications with very good professional services like accountants and lawyers, while operating costs are lower than they would for instance be in London.

"We believe we have created in our new headquarters an exciting atmosphere for the key central staff of an international business—an atmosphere which reflects the determination with which the Tootal Group is facing the future."

Who's who in the reshaping of the city

ALTHOUGH MANCHESTER has no assisted area status, which among other things precludes it from certain forms of direct EEC funding, a number of agencies are involved in trying to reshape and modernise the city's economy.

The Small Business Advisory Service claims particular success in helping the unemployed to form their own businesses.

The Greater Manchester Council (GMC) has already spent £4m on the first phase of the Museum of Science and Industry and is involved in the public sector share of the funding for the Central Station Exhibition and Events Centre. The Manchester-Salford inner city area has also attracted around £20m in one form or another from the EEC.

Aid

Manchester is also subject to special programmes of assistance provided to companies by the GMC and the separately organised Greater Manchester Economic Development Corporation. The latter helps administer a series of national and local schemes as well as providing its own advisory service and hand-holding assistance to companies relocating.

National forms of aid in the Partnership area includes site clearance and services provision loans and a range of grants which might be available covering rent of up to two years, interest relief on land and buildings for firms employing less than 50, relocation, and the setting up of new enterprises.

The new economic development unit at Manchester City Council will bring together for the first time the authority's roles in the economy, tourism and property.

Nick Garnett

The trading post company which grew and grew

IN THE early 1870s, George Paterson and George Zochonis set off for Africa from their homes in Scotland and Greece and met in Freetown, Sierra Leone, where they established a trading post.

Their partnership flourished around the export of palm produce, ground nuts, coffee, skins and timber to Europe and the shipment of textiles and foodstuffs from the UK to West Africa. By the 1880s the partners needed an office in England to co-ordinate their import/export activities, and the company of Paterson Zochonis was formed 100 years ago next month.

Today Paterson Zochonis sits around the middle of the list of the UK's 500 biggest publicly quoted companies. But it is not a household name in the UK—although it is much more of one in West Africa. And many of those who know the company still tend to regard it in terms of the original trading organisation, while it has changed significantly through the years to become a manufacturing-led operation.

Paterson and Zochonis established the head office of their company in Liverpool in February 1884. Two years later it moved to the centre of the Lancashire textile trade in Manchester, where it remains. A Marseilles office was opened at the turn of the century, and by 1920 the company had 19 sub-branches in Sierra Leone and 18 in Nigeria—the main centre of the group's activities today.

The turning point in the nature of Paterson Zochonis's operations came soon after the Second World War, with a recognition that forthcoming independence would lead to African states wanting to manufacture rather than import essential goods. This led to the first venture into manufacturing with the purchase of a small soap factory at Aba, Nigeria, in 1948.

Paterson Zochonis

Further gradual developments in the manufacture of soap, toiletries and pharmaceuticals continued until the 1970s oil boom in the Nigerian economy stimulated rapid growth in Paterson Zochonis. PZ Industries, its principal associated company in Nigeria—now 60 per cent locally owned in accordance with Nigerian law—entered the detergent market in 1973. A new detergent factory just completed at Ikorodu, near Lagos, is one of the largest units in Africa

Paterson Zochonis moved into a completely new activity in Nigeria during the 1970s with Thermocool Engineering, producing refrigerators and other cooling equipment. The company now has capacity to produce 1,000 refrigerators a day.

The growth of Paterson Zochonis during the 1970s enabled it to apply its experience of soap production to the UK market with the acquisition of Cussons, manufacturer of products like Imperial Leather soap, and Morning Fresh washing-up liquid.

"But although we understood the production of soap and toiletries, we had a lot to learn about operating in European markets," says Mr George Loupos, managing director. "We are a British company, but before we took over Cussons our interest in the UK economy was really limited to that of an African trader.

A year after buying Cussons, Paterson Zochonis took over Odex Racasan, the Ellesmere Port manufacturer of disinfectants and other household hygiene goods.

Patterson Zochonis last year had a group turnover of £271m—some 12 per cent down on the previous year—while pre-tax profits, at £26.8m, were 10 per cent down on the record 1982 performance. Some 80-90 per cent of the group's activities are now related to manufacturing rather than trade, and this has helped to protect it against import restrictions imposed by the Nigerian authorities following the fall in oil revenue.

But controls on the outflow of foreign exchange impose the financial burden of sustaining delays in payments—in the 1982-83 financial year, bank transfers in transit amounted to more than £37m.

While Patterson Zochonis has tended to concentrate its expansion in the soap, detergent and toiletries areas where it has most experience, Mr Loupos points out that it has—in addition to refrigerators—production lines as diverse as cotton thread, confectionery and olive oil and fats in various parts of the world.

THE ARTS

Cinema/Nigel Andrews

High ideals, low life

The Moon in the Gutter, directed by Jean-Jacques Beneix
The Second Awakening of Christa Klages, directed by Margarethe von Trotta
Carry Greenham Home, directed by Beeban Kidron and Amanda Richardson
Dream Flights, directed by Roman Balayan

Gerard Depardieu in "The Moon in the Gutter."

Jean-Jacques Beneix's dementedly florid thriller *The Moon In The Gutter*, based on a David Goodis novel, is a consignment of French cinematic ham that we should seize and hold captive in Britain for as long as it takes our film students to study, learn and benefit from it. There are two lessons here. Firstly, there are no limits to the visual bravura that can be extended by an imaginative director to the humblest stories and settings. Secondly, there is no limit to the silliness resulting when that director goes over the top and weds visual overkill to narrative and dramatic underkill.

Beneix's last film was *Diva*, that handsome, overpraised casserole of murder, opera and surreal interior decor. It resembled a *film noir* designed by a Rue de Rivoli window-dresser, but it did have one or two sparks of passion and it certainly ignited the box office.

The Moon In The Gutter is *film noir* too, a shadow-gnawed thriller made amid studio sets and based on one of the pulpier American pulp novels. Gerard Depardieu is the beefy dockworker in a nameless port whose sister cut her own throat after being raped in an alley. Monsieur D is now haunted by the desire to find and punish her assailant. Chief suspect is Vittorio Mezzogiorno as a bar-haunting loner from the rich part of town ("Je m'appelle Newton Channing") whose gorgeous sister Nastassia Kinski arrives one night in a red sports car to take him home. As soon as she claps eyes on Depardieu—by no means the work of a moment since in this oneiric movie characters take at least a full minute to shimmer luminously through a doorway—the fires of love or lust roar up between them.

"It is basically an allegory," says Beneix. It is certainly basic, but I would question allegory. It sufficies for many subsonic French directors merely to power a set of laconic characters through the shadows of the *bas monde* and—*sapristi!*—they think allegory has been conceived. *The Moon In The Gutter* offers even in its title, the clasic French twinning of *nostalgie de la boue* (the fragrant reek of low-life squalor) with wild adventuring through the philosophic ether. Here we orbit through such themes at Death (the sister's suicide and her surreally phosphorescent blood puddle, like a warning beacon of mortality); Religion (Depardieu and Kinski take marriage vows in a ghostly cathedral perched trick-photographically on a cliff); Identity (Qui et Chaning?); Class (Kinski and her brother come, we're repeatedly told, from the mystic world of tennis courts and leafy gardens); and L'Amour Fou.

But Goodis's pint-pot original thriller can in no way accommodate all these resonances, let alone the frantic visual dressing-up that Beneix and designer Hilton McConnico offer: from colour-filtered lights to crane shots to venturesome visual seques like the beam from a welder's torch that turns into a slit of dazzling light under a door. Like *Diva*, *The Moon In The Gutter* is undoubtedly one of the best dressed films of this or any other year: but if you look closely all you find inside the clothes is a plastic mannequin.

★

Margarethe Von Trotta's films make a virtue of stylistic nakedness. There are no florid overgarments, and few undergarments either, in *The Second Awakening of Christa Klages*, where Fraudlein Von T's camera sallies plainly but purposefully after the eponymous heroine who is attempting to escape the consequences of a bank robbery. Christa (Tina Engel) has stolen the money to help fund the children's day-care centre she founded. But now, with the *polizei* hotfooting after her, she daren't start circulating the loot unless it can be laundrered by a friendly young priest (Peter Schneider) who might pass it off as collection money.

Meanwhile Christa takes refuge with her old schoolfriend Ingrid (Silvia Reize) and takes a trip to Portugal with her to escape the glare of the wanted posters. When, how and to what retributive music will she return?

Von Trotta is one of those bizarre movie talents who score zero for visual originality—the camera is no more than a recording machine for scurrying reality—but who has a complete command of character and story structure. Like *The German Sisters* and *Friends and Husbands*, this earlier film, her directing debut, shows two soul-twin heroines at bay against an implacably paternalistic society. Youthful female idealism charges across the *bundesrepublik* seeking whom it may save and succour. And the tragedy comes from thwarted hopes exploding hopelessly inside human heads, the comedy from the red-tape bureaucracy and captious caveats swirling round their ankles. Fine film-making.

There are more ladies at bay in the supporting film, *Carry Greenham Home*. There has been nothing like the Greenham Common women since the burghers of Calais, who if you recall had a lot to say about the cruise missiles (or equivalent) of Edward III. Like their mediaeval forebears these modern ladies are mad or heroic according to taste. Perhaps even both. In this hour-long documentary directors Beeban Kidron and Amanda Richardson, ex-Greenham protesters themselves, compassionately observe the assaults on the wire fences, the baiting of the policemen, the chanting of the songs, the perplexity of the soldiers and the heartwarming disarray of the visiting media people. The film won't make any converts, for or against Greenhamism, but like Von Trotta's film it's a vivid slice of life spread with questionable but courageous idealism.

★

Dream Flights, directed by Roman Balayan, is a long thin sheet of Iron Curtain whimsy. Actor Oleg Jankovsky, the forlornly gnomic star of Tarkovsky's *Nostalgia*, here changes gear alarmingly to become a gadabout Russian Lothario. Name: Sergei Makarov. Profession: architect. Marital status: married. Distinguishing marks: a tendency to bounce and freewheel along streets as if auditioning for a role in a Swinging 60s British film.

Our hero is celebrating his imminent 40th birthday by going on one last breezy spree of womanising. His office colleagues take a dim view of this, his wife takes a dimmer and the audience takes the dimmest. Victor Merezhko's screenplay is a daisy chain of would-be kooky encounters given no comic or dramatic direction whatever by Balyan's direction. We are clearly meant to find Sergei's youthful eccentricities endearing, although it doesn't help to have to interpret his actions through such subtitling as "You sure are an oddball" and "Natch." But the movie is finally flattened by its own excessive desire to please: it's like spending an hour and a half in front of a photographer being asked to say cheese.

Chilingirian Quartet/Elizabeth Hall

Max Loppert

Wednesday's recital was the fourth instalment of the Chilingirian's six-part complete Beethoven cycle, which has been in irregular progress since late November. To judge from a single sample of the whole enterprise, mid-point seemed to be a low point; whether it was simply a single Chilingirian evening off-form is hard to say, but in point of fine tonal blend, unified ensemble style, and above all intonational exactitude, the playing of all three works on the bill produced a quantity of roughnesses that went beyond the artistically desirable or even acceptable in Beethoven. (The apparent inability of the leader, Levon Chilingirian, to stay reliably in tune above the stave or in fast figuration was a contagion that spread variably if less markedly, through the execution of all three partners in turn.)

Rough Beethoven playing can be rewarding, and infinitely preferable, to faceless homogeneity when inspired by inner fire. But in the two Op.18 quartets occupying the first part—the C minor, no. 4, followed by the G major no. 2—there seemed not a lot beyond effortful energy going on under the surface. The blurring of the youthful *Adagio cantabile* beauties at the centre of the G major was not answered by any notable wit, toughness, or sense of the unexpected in the outer movements; at almost every point, interpretative choices seemed to be the sincere, obvious ones.

At the start of the C minor quartet, Op 131, in the second half, there was hope that a new depth of interest might be entering the playing—the pallor of the first page promised as much. But it was not sustained; and no special intimation of vision came to compensate—as it so badly needs to, in this of all works—for the quality of the execution. Any Op 131, even a scratchy, jerky one, can never be wholly without value: but this one hardly felt like a peak in a major Beethoven cycle.

Arts Week

F	S	Su	M	Tu	W	Th
20	21	22	23	24	25	26

Theatre

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

Woman of the Year (Opera House): Lauren Bacall plays an overbearing, ambitious woman in this thin musical that was a Tony winner in a bad year on Broadway. Ends Feb 12. Kennedy Center (254 3770)

LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "fondle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

Dear Anyone (Cambridge): Jane Lapotaire, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166)

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels, gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Little Shop of Horrors (Comedy): Tawdry, camp musical based on a 1960 Roger Corman B-movie about a man-eating plant which revives the fortunes of a Skid Row flower shop. The 1950s pastiche is a bit wan, but the lyrics sharp. The plant grows from cactus-like vulva to piscatorial, blues-singing peach. Ellen Greene repeats her off-Broadway performance which is something like Fenella Fielding only blonde and way over the top (930 2578)

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Guite Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

Candida (Goodman Mainstage): Monson Hicks, better known as an actor, adds Shaw's jaundiced view of a minister's marriage to his list of directing credits. Ends Feb 19. (443 3800)

Opera and Ballet

LONDON

Royal Opera, Covent Garden: Wozzeck, a 30-year-old production, is brought back with a splendid cast – Jose van Dam in the title role, Anja Silja as Marie, James King, Donald McIntyre, Hermann Winkler among others, and Christoph von Dohnanyi as conductor. (240 1066).

English National Opera, Coliseum: the latest Violetta in the ENO's handsome Traviata is the Romanian Nelly Miricioiu, one of the brightest young talents on the opera scene. Further performance of Jonathan Miller's interesting, slightly unatmospheric production of The Turn of the Screw, with Jill Gomez and Philip Langridge; last of the current Madame Butterfly run, with Eiddwen Harrhy in the title role. (836 3161).

PARIS

Die Entführung aus dem Serail conducted by James Conlon, produced by Giorgio Strehler, decor and costumes by Luciano Damiani, co-produced with La Scala, Milan. Michael Heltau as Pecha Selim and Catherine, Malfitano as Constance. Paris Opera (742 5750).

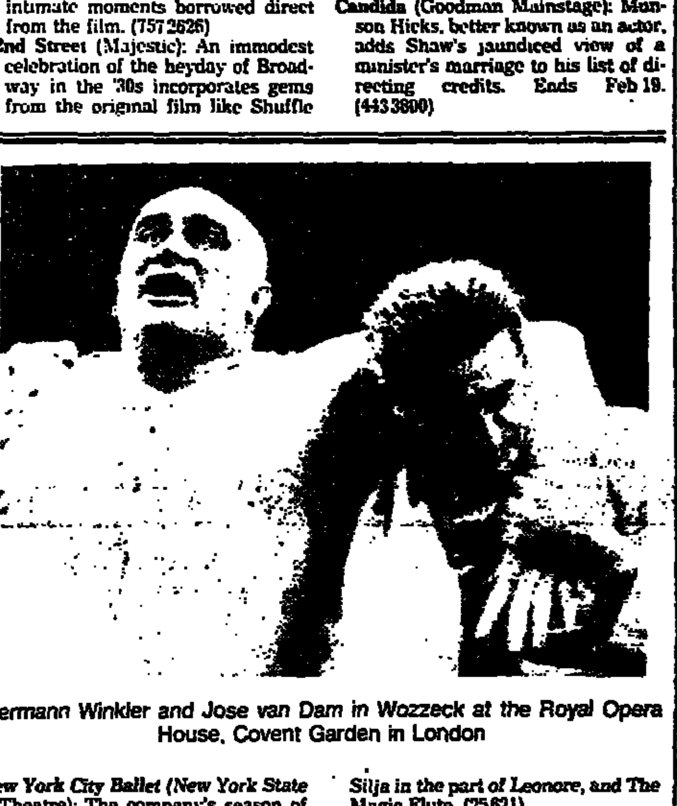
Paris Opera and Rudolf Nureyev pay homage to Martha Graham with Seraphic Dialogue, Errand Into The Maze, Phaedra's Dream and Acts of Light (Mon) at the Paris Opera-Palais Garnier (742 5750). Evening dress only.

Khovanstchina conducted by Woldemar Nelsson, produced by Pier Luigi Pizzi, conducted by James Johnson, Orchestre Colonne in the Grand Théâtre de Genève production with Maia Plisstskaia's participation. TMP-Châtelet (233 4444).

Compagnie Regine Chopinot dances Delices in Regine Chopinot's new wave choreography at the Théâtre de La Ville where it is followed by Wroclaw's Pantomime Theatre in King Arthur's Leg which bridges mediaeval and modern times (274 2277).

NEW YORK

Metropolitan Opera (Opera House): Rinaldo conducted by Mario Bernardi and starring Marilyn Horne is part of a week that also features Peter Hall's production of Macbeth, premiered last season, with Renata Scotto as Lady Macbeth and Sherrill Milnes as Macbeth. The week also includes Mahagonny. Lincoln Center (580 9830).



Hermann Winkler and Jose van Dam in Wozzeck at the Royal Opera House, Covent Garden in London

New York City Ballet (New York State Theatre): The company's season of mixed repertory includes performances this week of Western Symphony, Mozartiana and Harlequinade. Lincoln Center (870 5570).

WEST GERMANY

Berlin, Deutsche Oper: The week starts with Manon Lescaut, a revival with Teresa Zylis-Gara and George Fortune in the main roles. The Magic Flute has fine interpretations by Elfie Hobarth and Edith Mathis. Ein Maskenball convinces thanks to Gian-Franco Masini's conducting. Der Troubadour, sung in Italian, features Eva Randova as Azucena and Leo Nucci as Luna. Der Barbier von Sevilla closes the week. (34 381).

Hamburg, Staatsoper: Bach's Amadis, rediscovered by Helmut Rilling last year, has Helen Donath and Carla del Re in the main roles. Carmen highlights the week with Alicia Nafé in the title role. Peleas und Melisande, is performed again this season with Judith Blegen and Russel Smythe in the title roles. The Magic Flute has Carla del Re brilliant as Queen of the Night. (35 11 51).

Frankfurt, Oper: Ein Maskenball is steered to triumph by Mara Zampieri in the part of Amelia. Carmen brings together Gail Gilmore in the title role and Seppo Ruohonen as Don Jose. Also Fidelio, with Anja Silja in the part of Leonore, and The Magic Flute. (25 621).

Cologne, Oper: There was much acclaim for Falstaff with Walter Berry in the title role. For Wagner's 100th anniversary, Die Meistersinger von Nürnberg is perfectly cast with Hans Sotin and Peter Schreier. Eugen Onegin has Claudio Nicolai in the title role. (20 761).

Stuttgart, Württembergisches Staatstheater: Premiering this week is a new production of Idomeneo, produced by Harry Kupfer. It has Milagro Vargas, Raili Viljakainen and Rüdiger Wohlers. There was much applause for Karl Orff's rarely-played Die Kluge. Ariadne auf Naxos stars Gabriele Schnaut and Maria de Francesca-Cavazza in the main parts. Britten's Albert Herring, which makes great demand on singers' voices, is finely interpreted by Elke Estinbaum and Irmgard Stadler. Also this week, Der Troubadour with Eva Randova and Seppo Ruohonen as well as Zar und Zimmermann. (20 321)

ITALY

Milan, La Scala: Ballet to music of Mahler and Richard Strauss choreographed by Joseph Russillo and featuring him with Luciana Savignavo; Strauss's Arianna a Nasso conducted by Wolfgang Sawallisch starring James King, Edita Gruberova and Siegfried Vogel.

Music

LONDON

Philharmonia Orchestra conducted by Andrew Davis with Peter Donohoe, piano. Kabalevsky, Rachmaninov and Shostakovich. Royal Festival Hall (Mon). (928 3191)

Dimitri-Johann Leiwici, violin and Peter Pellinger, piano. Leclair, Brahms, Mozart and Strauss. Purcell Room (Mon). (928 3191)

London Symphony Orchestra conducted by Andre Previn with Yo Yo Ma, cello. Elgar. Royal Festival Hall (Tue)

Capricorn conducted by Lionel Friend with Sarah Walker, mezzosoprano. Tenth Anniversary concert. Webern, Berg and Schoenberg. Queen Elizabeth Hall (Tue)

Royal Philharmonic Society, Royal Philharmonic Orchestra and Goldsmiths Choral Union conducted by Darrell Davison and Eric Fenby with Felicity Lott, soprano, Jonathan Summers, baritone and Nigel Kennedy, violin. Barbirolli, Mozart, Holst and Delius. Royal Festival Hall (Wed)

Philharmonia Orchestra conducted by Maurice Handford with Leland Chen, violin. Mozart, Schubert, Bruch and Beethoven. Barbican Hall (Wed). (638 8891)

PARIS

Montserrat Caballe recital, Miguel Zanetti, piano (Mon) Théâtre de l'Athénée (742 6727)

Ensemble Orchestral de Paris with Jean-Bernard Pommier as conductor and soloist: Haydn, Stravinsky, Mozart (Tue) Salle Gaveau (563 2030)

Nouvel Orchestre Philharmonique with Karen Armstrong, soprano, Theo Adam, bass: Schreker, Cerha (Tue) Théâtre des Champs Elysées (723 4777)

Maurizio Pollini as soloist and conductor of Orchestre de Chambre de l'Europe: Mozart (Tue) Pleyel (563 8873)

Brahms Festival: Alto Rhapsody, Michele Muser, soloist, German Requiem, Claudy Saneva, Andre Duchesne soloists (Tue) Saint-Eustache Church (656 8542)

Gustav Leonhardt, Harpsicord: Forqueray, Scarlatti, Bach (Wed) Salle Gaveau (563 2030)

Gundula Janowitz, soprano, Irwin Gage, piano: Schubert Lieder (Wed) TMP-Châtelet (233 4444)

NEW YORK

New York Philharmonic (Avery Fisher Hall): Kurt Sanderling conducting all-Mahler programme (Tue); Zubin Mehta conducting, Murray Perahia piano. Weber, Mendelssohn (Thur) Lincoln Center (874 2424)

Carnegie Hall National Orchestra of New York, Lawrence Leighton Smith conducting, Nathaniel Rosen cello. Shostakovich, Glazunov (Tue); Gewandhaus Bach Orchestra of Leipzig, Gerhard Bosse leader, Paula Robison flute: Bach, Mozart, Tritel (Wed); Hermann Prey baritone recital, all-Brahms programme (Thur). (247 7459)

WASHINGTON

Concert Hall: Philadelphia Orchestra, Eugene Ormandy conducting Gidon Kremer violin. Strauss, Sibelius, Saint-Saëns (Mon). Kennedy Center (254 3776)

WEST GERMANY

Frankfurt Alte Oper, Margaret Price Lieder recital accompanied by James Lockhart. Schubert, Richard Strauss and Mahler (Mon)

ZURICH

Tonhalle: Mozart Soiree with Anne Leek, oboe, Christoph Eschenbach, piano and Christopher Bantzer, narrator (Mon); Tonhalle Orchestra with Christoph Eschenbach, piano and conductor and Justus Frantz, piano. Mozart piano concertos (Wed).

Carnegie lectures

Conductor and pianist Michael Tilson Thomas opens a year-long series of lectures on classical music with Beethoven Takes a Bow, to be held at Carnegie Hall, New York, on Thursday. A companion series on jazz has clarinettist John Carter looking at blues, followed by saxophonist Archie Shepp demonstrating the evolution of African music. Michael Tilson Thomas will also delve into The Mind of Mozart and answer the question Who's Afraid of Igor Stravinsky? to complete the classical series of lectures being given in February, March, September and November. Other jazz lecture/demonstrations in the Carnegie Hall series will be done by Billy Taylor and John Carter. Given on intermittent evenings at 6.30, the series is free and sponsored by Dewar's with tickets available from Junis Zamier at 593 6414

Exhibitions

WEST GERMANY

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: Picasso sculpture. The 197 pieces – made of wood, plaster, bronze, wire wrapping and rolled iron sheets – span all periods. Ends Jan 29

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is showing chiefly Heckel's early work. There are paintings, drawings and watercolours. Ends Feb 2

Frankfurt, Städel, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2.

Hanover, Forum des Niedersächsischen Landesmuseums, 8–11 Am Markt: paintings and clothes from the period between classicism and art deco. Ends Feb 29.

Münich, Hause der Kunst, 1 Prinzregentenstrasse: 125 oil paintings, objects, sculptures and drawings by Lucio Fontana, the Italian painter and sculptor (1899 to 1968), who found new means to depict space. Ends Feb 12.

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and postcards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

PARIS

Electra – presided over by Dufy's La Fée Electricité, an exhibition full of whirring and flickering apparatus shows the manifold possibilities of 20th-century artistic expression thanks to electricity and electronics. Musée d'Art Moderne de la Ville de Paris, 11 Ave President-Wilson, Closed Mon. Ends Feb 5 (723 6127).

Raphael: Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardiniere and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (261 5410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (260 3926). Closed Tue. Ends end of Feb.

Friedrich: The German romantic painter's work viewed to Wagner's music at the Centre Culturel de Marais (272 7332). Ends March 11.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Willem de Kooning (Whitney): This major retrospective with 250 works covering the artist's entire career is divided into drawing and painting and sculpture sections. Half the exhibits are drawings and there are 25 sculptures. Ends Feb 19.

Kandinsky (Guggenheim): More than 300 works limited to the early Russian and middle Bauhaus periods from 1915 to 1933 is the second in the museum's comprehensive reconstruction of Kandinsky's peripatetic and prolific career. Also included in the show are the works of contemporaries including constructivists like Malevich and Lissitzky as well as German and Bauhaus artists like Moholy-Nagy Mies van der Rohe and Paul Klee. Ends Feb 12.

WASHINGTON

Hirshhorn: 136 works by 62 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 19.

Leonardo's Last Supper (National Gallery): Although the refectory of the Church of Santa Maria delle Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months: £2,500 9%; £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5¼%, £10,000 up to £50,000 6¾%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

LEGAL NOTICES

IN THE MATTER OF SINFIELD AUTOMOTIVE & INDUSTRIAL FACTORS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 29th day of February, 1984, to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the joint liquidator of the said Company, and, if so required by notice in writing from the said Joint Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 22nd day of December, 1983.

P. W. J. HARTIGAN, FCCA.
JOHN C. CANNON, FCA.
Joint Liquidators.

COMPANY NOTICE

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange High Grade Copper Warrants, and we have been asked to issue duplicates

No 360716—266 Pieces
BRAND HMG-s—25 487 Kilos Nett;
No 360717—261 Pieces
BRAND HMG-s—25 244 Kilos Nett;
No. 360718—260 Pieces
BRAND HMG-s—25 094 Kilos Nett.
No 355022—155 Pieces
BRAND MP-ILO—24 618 Kilos Nett.
No. 355023—155 Pieces
BRAND MP-ILO—25 056 Kilos Nett:
No 355024—154 Pieces
BRAND: MP-ILO—25 049 Kilos Nett:
No. 355025—154 Pieces
BRAND MP-ILO—25 046 Kilos Nett.
No 355026—157 Pieces
BRAND MP-ILO—25 024 Kilos Nett:
No. 351231—219 Pieces
BRAND: HM.—24 993 Kilos Nett:
No. 351232—219 Pieces
BRAND: HM—24 987 Kilos Nett.

Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods, or the issue of duplicate Warrants.

C. STEIWEG,
P.O. Box 1068,
Willemskade 20,
Rotterdam 2,
Netherlands.

APPOINTMENTS

Top post at Texas Instruments

TEXAS INSTRUMENTS has appointed Mr Peter van Cuylenburg as managing director. He joined Texas Instruments at Bedford in 1973 and — following several years at the company's plants in Nice and Austin, Texas —he returned to the UK to head TI's European linear integrated circuits business. He replaces Mr Red Attwooll who left to join Systime.

★

Mr Colin Alexander has been appointed chairman of the NATIONAL ASSOCIATION OF INDUSTRIAL DISTRIBUTORS, in succession to Mr Neil Gunn, who had held the post since its formation two years ago. Mr Alexander is managing director of Southern Counties Storage Equipment. New vice-chairman is Mr Ken Reekie, managing director of Green Cross Safety.

★

Mr Michael J. Gordon has been appointed deputy chairman of TAYLOR WOODROW MANAGEMENT AND ENGINEERING. He succeeds Mr F. W. (Bill) Jenkins, who has retired. Before joining Taylor Woodrow, Mr Gordon was a corporate vice-president of the Badger Company Inc, Cambridge, Massachusetts, and managing director of Badger Limited, with responsibility for operations in the UK, Scandinavia, Spain, Portugal, Turkey and the Middle East.

★

Mr Henry Harris, chairman of Harris and Co, has been appointed chief executive of the INSTITUTE OF PUBLIC LOSS ASSESSORS.

★

Mr John House has been appointed financial director of PYE TELECOMMUNICATIONS. He joins Pye Telecom from another Philips group company, Pye Unicam, where he was financial director for four years. He succeeds Mr Les Wild, who is retiring.

★

Mr Robert M. Kennedy has been appointed marketing director of the SEA FISH INDUSTRY AUTHORITY. Currently director of sales and market development with the Scottish Milk Marketing Board, he takes up his new position in Edinburgh on February 20.

★

TRADE INDEMNITY, insurer of UK credit risks, has appointed Mr Jeremy Friend as underwriting manager in charge of the export underwriting group. He was ECGD's regional director in the City of London office.

★

Mr John Barclay has been appointed an assistant general manager at WILLIAMS & GLYN'S BANK from February 1.

★

MPSI (UK) appointed Mr David H. A. Reitman (formerly with Texaco) as marketing manager, Mr Jack Steenstra (formerly with BP South Africa) as network planning manager and Mr Timothy F. Lane (formerly with IBIS) as accounting manager. European general manager Mr Ian H. Simons has become vice-president for Europe, Africa and the Middle East.

★

At the ENGINEERING INDUSTRY TRAINING BOARD Mr R. E. Stevenson is taking early retirement. Mr G. G. Marshall, the board's secretary, has been appointed acting chief executive.

★

TMC MAJOR SYSTEMS has become responsible for all AT & T and Philips Telecommunications BV activities in the UK, as a wholly-owned subsidiary. Mr James Greenfield has been appointed director and general manager of the new company whose chairman is Mr Alexander C. Stark Jr, president of AT & T and Philips Telecommunications BV. Other directors of the new company are Mr Brian Manley, Mr Frank Onians and Mr Karel Hubée. Mr Greenfield was marketing director of TMC.

★

Mr Graham Barrows and Mr Bryan Carey have been appointed to the board of ASH & LACY STEEL PRODUCTS, a subsidiary of Ash & Lacy. Mr Barrows was works manager and Mr Carey was technical manager.

★

PARFUMS GIVENCHY, UK subsidiary of the Paris-based Givenchy organisation, has appointed Mr Peter Norman as managing director from February 1. He succeeds Mr Barton Gosling, who continues as chairman. Mr Norman was managing director and deputy chairman of toys and games company, Eisenmann & Co.

★

CLARK WHITEHILL has admitted Mr David Furst into the partnership.

★

Mr R. H. Woollen has been appointed managing director of ASTLEY & PEARCE (EUROCURRENCY DEPOSITS), and Mr D. J. Wood has been appointed managing director of Astley & Pearce (Sterling).

★

Mr Tony Tucker, former director of external relations at the Institute of Directors, has been appointed a director of PAUL WINNER MARKETING COMMUNICATIONS.

★

GRANDMET CATERING SERVICES has appointed Mrs Victoria Connolly as director of personnel and training. She was personnel and training manager for the central division. Mrs Jo Orr has joined Grandmet Catering Services as management development manager, a new position. She was previously a consultant with Van Oudtshoorn Associates.

★

Mr Geoffrey Rowett has been appointed vice president of European operations for the LTX Corp. He was managing director of LTX (Europe).

★

Mr David Hart has been appointed managing director of AIR EUROPE TRAVEL. He was commercial manager of Intasun Holidays. Air Europe Travel is part of the Intasun Leisure Group.

★

Appointed as a director of MOTT HAY, PREECE CARDEW is Mr Reg T. Masters; Mr John D. Hayward becomes a director of Mott, Hay and Anderson, structural and industrial consultants, and Mr Ken J. Baker becomes an associate; Mr Robert Beresford is appointed a director of Parsons Brown and Newton. From February 6, Mr E. Alan Cruddas becomes a director of Mott, Hay and Anderson Asia Pte.

★

Mr J. M. MacCarthy, at present controller (group) has been appointed manager (group) at LEGAL & GENERAL GROUP.

★

MONO GROUP has established a sales division for its activities in the Middle East, North and Central Africa. Mr Mike Harrison, formerly sales and marketing director of Mono Pumps, has become director and general manager of the new division. Mr Peter Foley has become sales and marketing director of Mono Pumps. He joins the group from IMI.

★

Mr C. R. Balfour, Mr A. J. Bell, Mr G. J. Chalk, Mr W. G. Davis, Mr A. G. Mallin, Mr R. Mountford, Mr R. Peat, Mr J. W. Pembroke, Mr R. Waddington and Mr D. J. W. Young have been appointed directors of HAMBROS BANK.

★

Mr Barry J. Skipper, Mr Ray Bray and Mr Anthony H. Noble have joined the board of BISHOP'S and Mr Skipper has been appointed chairman. Mr T. M. Bradfield and Mr R. Harvey remain directors. The other existing directors have ceased to be members of the board but their employment continues. These appointments follow the announcement that Booker McConnell's offers to acquire the share capital of Bishop's have become unconditional. Mr Skipper is a director of Booker McConnell and chairman of Booker McConnell's food distribution division. Mr Bray is a director of the food distribution division and managing director of Budgen. Mr Noble is services director of the food distribution division. Directors who have left the Bishop's board are: Mr J. H. Bradfield, Mr C. E. Carter, Mr N. Harvey, Mr D. A. McGill.

★

Mr James Doel has been appointed chief executive of TRIPLEX FOUNDRIES GROUP. He joined the board last June under Mr Lewis Robertson who was appointed chairman last March.

Mr Peter van Cuylenburg, managing director, Texas Instruments

★

Mr B. G. Shoosmith, managing director of Hawker Siddeley Power Plant, has been appointed to the board of CROMPTON PARKINSON as managing director. Mr C. Hamer, a Crompton Lighting director, has been appointed a director of Crompton Parkinson Marketing. Mr K. R. Allen, company secretary, has been appointed to the board of Crompton Batteries as finance director. All are Hawker Siddeley companies.

★

Mr Lewis Ward, founder of Bulldog Publicity Services, Bradford, has re-joined the BULLDOG GROUP as group managing director.

★

Sir John Sparrow has been appointed chairman of the process plant economic development committee of the NATIONAL ECONOMIC DEVELOPMENT OFFICE. Sir John is a director of Morgan Grenfell Holdings, and a former head of the Central Policy Review Staff.

★

INTERNATIONAL DISTILLERS & VINTNERS has appointed Mr N. G. McGowan and Mr P. J. Copeland as executive directors.

★

UNICOM INC has appointed Mr David A. Wilson as general manager and chief operating officer. He was vice-president of sales and marketing. Unicom is a subsidiary of Knight-Ridder.

★

Two directors of FBC, Dr M. A. Smith and Dr J. R. Corbett have been appointed to the board of the agrochemical division of SCHERING AG. FBC was acquired by Schering in September 1983.

★

Mr J. M. Thomson will be retiring from his directorship of BROOKE BOND GROUP and his other group appointments on April 6 to devote more time to his other interests.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Rough ride over London Bridge

ST MARTINS GROUP won full marks last October for the smooth public unveiling of its £350m London Bridge City scheme on the south bank of the Thames, but private negotiations over ownership of the riverside site appear to have been rather rough.

St Martins, the wholly-owned property arm of the Kuwait Investment Office, is only now in the final stages of completing an agreement with the City of London on their respective site interests. And in its eagerness to show its plans to the world, the group seems to have complicated outstanding negotiations with at least one of the remaining tenants being displaced by the new development.

As a result, a key part of the site—next to the southern end of London Bridge—is still occupied by a tenant who has been in no rush to leave.

The City of London, through Bridge House Estates, owns the freehold of a significant part of the land to be developed by St Martins in the first £120m phase, which is due for completion in 1986.

With both parties owning chunks of the riverside site, long and difficult negotiations over the future shape of their respective interests have followed. The two sides are now understood to have reached a deal in which St Martins hands over some of its freehold ownerships in exchange for new, 150-year leases.

The City owns the freehold of the land which stands adjacent to the southern end of London Bridge and which is scheduled as the location for a 183,000 sq ft, twin office tower—hailed as the gateway to the entire development.

At present, the site houses an old, partially occupied office building known as Number One London Bridge, an address which the developers intend to use to their full advantage when they come to marketing the new scheme.

Vacant

As part of the agreement, the City is also thought to be acquiring from St Martins the freehold of the adjoining, vacant site and, in return, providing a 150-year lease covering both pieces of land.

But, as freeholders of Number One London Bridge, the City has the task of moving out remaining tenants and handing over a clean site. Most occupants have indeed gone, but one—in the shape of the United Kingdom Provision Trade Federation—is driving a very hard bargain.

The Federation is afforded a certain degree of protection under landlord and tenant legislation and its resolve to strike a good deal has been understandably strengthened since St Martins' autumn launch, when the strategic importance of the site became fully apparent.

Talks over terms for the Federation's departure have now reached what is described as a highly sensitive stage and no-one is prepared to say anything about them.

As for the City and St Martins, it is understood that a major part of the negotiations over the riverside site centred on the City's demand for an arrangement akin to a performance guarantee.

Under the proposals, thought eventually to have been accepted, the City sought an arrangement which enables it to call in the leases granted to St Martins if the success of the scheme—and therefore the income arising from it—does not match the developers' stated expectations. Given some fairly widespread doubts about the scheme's likely performance, the City's approach is not surprising.

In assessing the development's prospects, there seems little doubt that London Bridge City will offer a quality of accommodation and environment largely unavailable across the river and at a considerably lower cost. But much will depend on the state of the City office market when the first space in the 2m-sq-ft development comes on stream in 1986. Early success in signing up tenants will be crucial.

Whether or not the second phase ever becomes a reality will clearly centre on the success or failure of the first. With St Martins the predominant land owner for phase two, site negotiations, at least, should be a great deal easier than they have been the first time round.

Bath Road base vital for Slough

THE EXTENT to which the fortunes of Slough Estates still depend on its original Bath Road industrial encampment are quickly confirmed with a glance at the group's latest property valuation—on view for inquisitive eyes while the merger with Allnatt London and Guildhall awaits shareholder approval.

Slough has 54 industrial estates spread around the world but the 1982 valuation by Richard Ellis—which the group says has not fundamentally changed—underlines the overwhelming importance of the 484-acre trading estate where Slough started out in the 1920s.

During the course of the merger offer, Slough has used the £500m valuation figure included in its 1982 report and accounts. But a hitherto undisclosed breakdown of the Ellis figures shows that while UK property accounts for £355m of the total, the Bath Road complex represents no les than £232m of that figure.

The valuation documents also reveal that gross rent receivable from the 585 tenancies on the estate stood at £18.99m in September 1982, a year in which total UK group rental income reached £25.1m.

The agents also emphasised that, as in most cases on the Bath Road estate, many of the company's rental agreements are subject to an annual, upward-only revision by reference to the wholesale price index. As a result, rents paid on some units exceeded the open market figure they would otherwise command.

While much of the talk surrounding the proposed merger has centered on the scope for weeding out the Allnatt and Guildhall portfolios — together they comprise 350 freehold and around 50 leasehold properties and include such delicacies as £5,000 freeholds in Ruislip—the Ellis exercise must have given Slough cause to ponder on some of its own holdings.

Take, for example, the Lea Bridge industrial estate in Waltham Forest, east London, a 6-acre site where Slough has a £793,000 freehold interest, on which they granted a headlease to the Sydney Glover group. Slough then took a leaseback but were obliged to let on long leases at rents of not less than £2.75 per sq ft.

At the time of the Ellis exercise, all but one of the nine units were vacant and the agents declared that Slough's leasehold interest — effectively involving a rental guarantee of £133,000 a year—was "virtually unsaleable" and a liability to the group.

Tenants sign up as Reading revives

THIS WEEK'S announcement from Porsche that it intends to develop a £7m headquarters at Reading has again thrown the spotlight on a Berkshire town where the property market is coming back to life.

Porsche is going to an eight-acre site at Theale, near junction 9 of the M4, but a series of more central lettings indicate that the virtual stagnation which followed the town's own property boom is now over.

This week, the last 40,000 sq ft of floorspace in the controversial Shire Hall building was taken by Digital at around £10 a sq ft, while negotiations are understood to be well advanced to let the 70,000 sq ft Royal Berkshire House, the last major block available in the town. London and Edinburgh Trust, the developers, are saying nothing but a part of British Telecom looks like moving in.

The deal would leave no new building in Reading large enough to accommodate major potential tenants like Fluor, IBM and Esso, as well as a couple of government departments which are looking to relocate outside London.

It will, however, leave the field clear for the 150,000 sq ft first phase of the MEPC development on King's Road, not due for completion until 1986.

Agents Campbell Gordon say more than 200,000 sq ft of office space was let in Reading during 1983, including the Digital deal at Shire Hall. This leaves only about 300,000 sq ft of high quality, new floorspace, almost *all in the middle range sector.*

It now appears that the market has turned in favour of development outside this range, but the Thames Valley town seems unlikely to return quickly to the boom conditions of the late 1970s.

More likely is a softening of the letting incentives behind most recent deals. The Royal Berkshire House negotiations, for instance, will have started at the assumption of a rent of £12.50 a sq ft because of funding conditions with Civil Aviation Authority Superannuation. The deal will hinge on what rent-free period—if any—is agreed and what fitting-out costs will be paid by the landlord.

Waiting in the wings is provision for another 200,000 sq ft from MEPC on King's Road—unlikely to be considered without a pre-let on the first stage—and the still unclear commitment by Macwall to take over the proposals for 250,000 sq ft of marketable space on the Courage brewery site, abandoned by Trafalgar House.

DAVID LAWSON

Hardanger submits plans for Shrewsbury

HARDANGER PROPERTIES is about to make a detailed planning application for its proposed £25m town centre redevelopment in Shrewsbury, Shropshire. Financing terms have been agreed with a major insurance group and the scheme will provide a 65,000 sq ft chain store and 35 retail units. The development will connect the town's principal car park to the principal shopping area in Pride Hill.

● Sterling Guarantee Trust has beaten off 40 other competitors to win approval from Salisbury District Council for its plans to develop the Maltings site in the town centre. The £6m scheme, designed by Leslie Jones and Partners, will provide two major stores—of 45,000 sq ft and 14,000 sq ft—15 shop units and 727 car parking spaces. The town mill will also be converted and restored to provide a public house, restaurant and specialist shop units. The plans now go to Wiltshire County Council.

● Speyhawk has let The Commodore, the 23,600 sq ft office building in King Street, Hammersmith, to Quantas Airways on a 25-year lease at £305,000 a year. Jones Lang Wootton and Herring Son & Daw were agents. Also in Hammersmith, Caltex (UK) has taken a 20,600 sq ft floor in Griffin House—the Midland Bank Pension Trust building—at a rent of nearly £12 40p a sq ft. JLW and Strutt and Parker are letting agents. Edward Erdman acted for Caltex.

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Friday January 20 1984

Rumblings from the TUC

THE TUC—in the shape of Mr Len Murray, its general secretary, and Mr Bill Keys, general secretary of the print union Sogat '82 has been conducting discreet talks with Mr Tom King, the Employment Secretary, for the last two months. The time for talking is nearly up: and now the political problems begin.

The subject of the talks has been the levy paid by the majority of members in those unions which are affiliated to the Labour Party. The present system under which the levy is paid is known as "contracting out:" that is, a member will pay the levy unless he or she signs a form declining to do so. The levy is very small—50p a year—but it gives the Labour Party an annual income of £3m which makes all the difference between maintaining a (skeletal) national organisation and being wholly unable to do so.

Mr King takes over from Mr Norman Tebbit, his predecessor, the revolver loaded with the threat that if a satisfactory voluntary system is not found in these talks, he will legislate for "contracting in"—forcing union members to sign a form permitting their union to make a political levy deduction.

Consensus

The present state of play appears to be that the TUC has drafted a possible voluntary arrangement for the levy, which is now being mulled over by the Government. It also seems clear that Mr King is disposed to agree to a pledge of voluntary reform if he possibly can—and that Mr Murray is prepared to go to some lengths to ensure that the planned reforms meet Mr King's condition that members should be given every opportunity to know of, and exercise, their right to contract out at any time.

This delicate and emergent consensus is already under fire from two directions. On one side, and in the columns of this newspaper, Sir Leonard Neal, the distinguished industrial relations advisor, has warned that no TUC-Government agreements have been worth the paper they are (or are not) written on. Sir Leonard concedes that Mr Murray may believe he can *deliver* a deal—but affirms that he will be betrayed in that by his colleagues.

From the Left, the cry is the mirror image of Sir Leonard's: the Government is not giving away too much, but too little. The preliminary debate at the TUC's employment policy and organisation committee earlier this week showed that a wide body of opinion among senior *union leaders now holds that* either Mr King must put up the Bill's other measure for negotiation—these are, ballots for union executives, on strikes and on the maintenance of political *funds—or the talks should* break off and, implicitly, the TUC resume its role of industrial opposition.

Sir Leonard is correct in the historical justification for his cynicism: solemn and binding contracts have not been delivered by the trade union leadership.

Reluctance

However, the most famous of these—"solemn and binding" itself, under Mr Harold (now Lord) Wilson and Mrs Barbara Castle, and Mr Michael Foot's social contract—were entered into at times when the trade union movement's strength was on a rising curve. Now, all the evidence points to a continuing decline in its strength and *political influence, and a need* by the TUC to make *and keep* bargains as a way of ensuring that it regains some influence on the Government.

In these circumstances, Mr King's *reluctance* to *bring* in more law than he needs — especially a law which would, at least in the short-term, gravely damage the organisational ability of the official opposition—is probably right.

The union leaders' putative revolt against a deal on the levy is misconceived. The Government has no intention of *regarding* a commitment to inform members of their rights as a reason for dropping its insistence that union members be given the further right to elect their leadership directly. *The* best Mr Murray and Mr Keys can possibly obtain is acquiesence in a reasonably watertight commitment on the TUC's part: their colleagues will have to face up to that at *the next meeting of the employ*ment committee, on February 15.

If they do not, and push their rumblings to full revolt, the logic will be that they resume their attempts to defeat legislation by industrial force. This will destroy the new mood of realism which Mr Murrey has painfully attempted to engender in his colleagues, and would be as unlikely to achieve success as it was before the 1983 election.

What Cyprus needs

PRESIDENT Spyros Kyprianou's proposals for the future *of his island show* that *some* movement is occurring towards solving the protracted Cyprus dispute. As far as it goes—and it is not very far—that is entirely welcome. The proclamation of independence made last November by the Turkish community on the island has concentrated minds on finding a solution to a problem that has festered too long.

It is not in the interests of the West to have what is at best an unstable equilibrium between Cypriot Greeks and Turks on their strategically placed island in the eastern Mediterranean. Neither is it in Western interests that Cyprus should add to the many reasons for tension between two members of Nato, Greece and Turkey.

National pride

It is not in the properly understood interests of the Cypriots to perpetuate mutual *hostility* between two communities which have been all but isolated from each other since the Turkish invasion of 1974. Nor is it in the interests of Greece and Turkey to devote to a *historic quarrel energies* which would be better employed tackling poverty and economic backwardness in their own countries.

Reasons are easy to marshal why Greek and Turkish Cypriots should seek a long-term solution allowing a maximum measure of co-operation. But the basis for such an agree*ment* to live and let live has proved impossible to find. National pride and historic enmities have stood in the way of common sense.

When Mr Rauf Denktash, head of the Turkish community on the island, proclaimed a Turkish Republic of Cyprus last November, he suggested that he was cutting the Gordian knot: that by creating clear-cut conditions in the place of a theoretical federal status, he was furthering the cause of a long-term settlement.

Mr Kyprianou has since made *two concessions.* He is asking the Turkish minority to surrender less land than he has demanded in the past; and he is willing to concede the Turks increased autonomy under a federal structure.

Mr Denktash has called for a partnership between both communities—whatever that may mean. But he has also asked for a federal structure which should be clear enough. The snag is that he has called for talks without precondition—which could imply recognition of his status as President of the Turkish Cypriot Republic; and on a basis of equality, which points in the same direction.

Both sets of proposals contain elements which, taken at face value, could be helpful in reaching a federal or at least confederal solution. But both have failed to bridge the gap between the contending parties on the island and their friends in Ankara and Athens.

Safe with the support of an occupying army from Turkey, Mr Denktash is standing firm on his declaration of independence. He is not too troubled that the international community has refused to recognise its validity.

The Greek side feels right to be on its side because the treaty of 1960, which *made Cyprus in*dependent of Britain, set up a unitary state. The Greek Cypriots overlook that an attempt by the Greek dictatorship in 1974 to unite the island *with Greece provided the pre*text for the Turkish invasion. They also overlook the realities created by that invasion.

Sterile policy

It looks very much, therefore, as though the activity stirred up by the proclamation of the Turkish Republic of Cyprus will not lead far unless *all* involved can be brought to realise that there can be no progress without mutual concessions. It is a sterile policy for the two communities merely to stand on their rights or supposed rights. It is an anachronism for Greece, a member of the European Community, and Turkey, an aspirant for membership, to pursue an historic enmity with little relevance to the world of today.

TRAGEDY AT SCOTT LITHGOW

'No one is absolved. . .'

By Andrew Fisher, Shipping Correspondent

HULL 2002 should have been ready to move off *the slipway of the Scott* Lithgow shipyard and into the chill waters of the Clyde tomorrow. To be named Ocean Alliance, the structure would have been the largest and most sophisticated semi-submersible oil rig in the world.

But huge sections of the drilling rig, ordered two years ago for use by Britoil *in very deep waters, lie unassembled* round the yard. Work on the rig stopped last month after the order was cancelled; it was around two years behind schedule.

How could such a prestigious contract have gone so wrong? "No one walks away from this with any satisfaction or absolved from any responsbility," says Mr Graham Day, *chairman since September of* state-owned British Shipbuilders, which owns the yard.

Blame has in varying degrees been accepted all round. Morale among the workforce is at an *absolute low. There can have* been few bleaker places in Britain this week than the snow-swept berths which straggle for three miles along the Lower Clyde.

The story of Scott Lithgow took a further sad turn this week with the news that 3,000 of the 4,250 jobs at the yard would go by March.

But the seeds of the present *crisis were sown in the late* 1970s when the yard first moved into the offshore sector. At a time when merchant ship work was scarce. Scott Lithgow successfully completed two sophis*ticated drillships for Ben Odeco,* the British-U.S. group which partners Britoil in the Ocean Alliance rig project, and Jebsens of Norway.

It then took on a contract for British Petroleum, an emergency support vessel (ESV) called the Iolair. This was completed successfully, but ominously, as it now appears, late. Even so, BS was sufficiently confident of Scott Lithgow's ability that it was designated a lead offshore yard, the other being Cammell Laird on Merseyside. (Cammel Laird has a better record, though it has never built rigs as sophisticated as the £88m Britoil structure.)

It was the full-scale switch into offshore orders that proved Scott Lithgow's undoing, largely because little attempt was made to prepare the yard for the very different and demanding world of offshore structures.

But it was only when the yard won two more big offshore *orders—one from British* Petroleum and another from Britoil (then part of British National Oil Corporation)—that the yard's real inadequacies became clear.

A number of factors have conspired to produce the present tragedy:—

- The management's initial lack of offshore experience. The actual welding and other skills are not so very different from normal shipbuilding, but the management disciplines and procedures are. The yard's managers were not prepared for the sort of detailed inspection demanded by the oil companies at each stage of production and at one point an emergency team of experts had to be called in to help the management.

It was only last August that Mr William Kooymans, a Dutchman with wide offshore production experience, was brought in *to boost output and work flow.* In only nine months he has raised productivity in some areas markedly—by 30 per cent in steelwork through the use of automatic welding techniques—and he believes that further huge gains are possible.

Both management and workforce now agree that he should have come in about two years earlier. The yard, he says, "has to go through the present learning curve. It should have happened three or four years ago."

- Delays increasingly soured relations with the yard's clients and their *on-site inspection* teams. The oil companies could not understand why Scott Lithgow was not making more allowance for the effects of constant inspection and testing on the work flow.
- The attitude of the workforce. The yard has long turned out sophisticated merchant ships and do\[illegible] naval refits (though it has not made a profit for some years) and labour skills there are recognised as high.

But a yard survival plan involving greater job flexibility and presented last summer by management, was not accepted by local union leaders, who saw it as ill-conceived and irrelevant. In fact, though, Britoil do not lay the major part of the blame on the workforce, arguing that three quarters of the responsibility for the delay is management's.

In any event delay inexorably compounded delay. Lateness with one order affected work on the next. Scott Lithgow was late with an oil tanker; then came delays on the BP rig. Both had a severe effect on the Britoil order.

The problem-ridden Britoil rig was originally ordered in December 1981, to be delivered at the end of March 1984. But six months after the order was *placed, Britoil reckoned it was* already 10 weeks behind schedule, with the yard saying seven weeks. By then, Mr Cameron Parker, then head of the yard, had been asked by *Britoil to strengthen the team* working on the rig project.

But the slippage continued. In August 1982, Britoil felt the rig was running 12 weeks late. The following month, BS assured it that action was being taken to speed up the work. In November, Lloyds Leasing, financing the contract, paid £35m to BS, making nearly £40m in all. The rig was then 10 per cent complete.

As 1983 began the situation worsened. In January, Britoil said the rig was nine months late, the yard five. Deadlines were set for key parts of the *work to be completed. The first* was the placing of a pontoon section. Britoil said this should have taken four weeks. It took 11.

Finally Britoil concluded last *August that its rig would* not be ready until March 1986, two years late. An independent assessor was appointed in September who said it was at least 500 days late. (Under the contract, *delays of up to 300* days are allowed for, incurring daily penalty payments of £17,000.)

From then on thngs moved rapidly. Mr Day said that the group could not afford to renegotiate the deal as Britoil wanted. Scott Lithgow made a £66m trading loss in the last BS financial year to March 31, 1983, out of a total £117m for the group. The whole episode, he said, had cost too much already.

At the end of October, therefore, Lloyds Leasing—due to pay over another £44m by the *end of last year—served 30* days notice on the yard to prove it could deliver by the new date of January, 1985, the earliest date on which the yard said it could deliver.

Britoil refused to accept new proposals from Scott Lithgow and the cancellation blow came on December 19. While not entirely the end of the story, it marked the failure of BS's ambitious move into the offshore sector. BS served a writ contesting the cancellaton under the terms of the contract.

Britoil found itself in a very awkward position, since it wanted its rig and did not wish to be responsible for the yard's closure. But the BS refusal to renegotiate the deal which Britoil had put Scott Lithgow's way two years before, tied its hands.

As late as last summer the present situation might have been avoided. The yard's survival plan minced no words: "The reputation and public image of Scott Lithgow, once a highly respected company on the Lower Clyde, has been progressively diminished until it threatens the future of the company." The confidence of customers had to be regained and the continued backing of BS and the Government earned. "The company currently has a very poor image yet its survival is important to the local community."

It was the new head of the yard, Dr Peter Milne, who took over last May, who tried to persuade the local union men to accept the plan. Instead, they produced thier own ideas, which *they termed a development* plan. Sir Robert Atkinson, chairman of BS at the time Dr Milne was appointed, called the Scott Lithgow workforce "5,000 deaf men." This may have aggravated the *situation, though* the delays were so acute by then that he was obviously prepared to let his frustration show.

Both plans provided for more flexibility within steelwork, outfitting, and ancilliary trades. Traditional demarcation lines would have been eroded and had the yard's own plan been signed, Mr Day might have felt able to keep the yard open under BS ownership. Instead, the future now seems to lie with a UK or foreign buyer who might wish to take over what remains an ideal offshore facility and where the lessons of past failures may have been painfully learnt.

The unions are still dazed by the prospect of closure. They did not take cancellation seriously early enough and then Scott Lithgow's future became entangled in national negotiations over productivity. Resistance to change and a growing sense of despair also played a part.

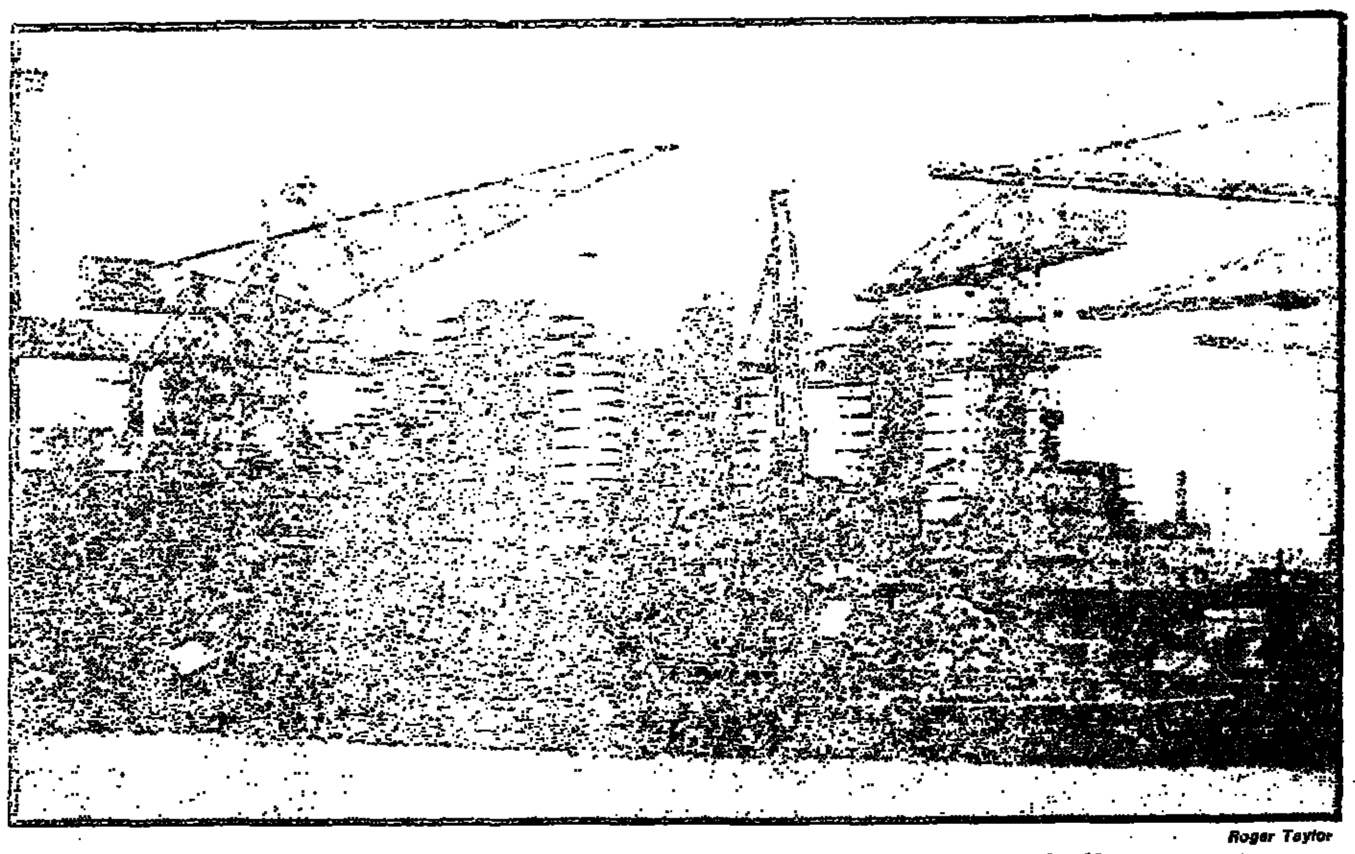
Why would any buyer want to take on Scott Lithgow, after the recent unhappy events? Dr Ken Forrest, special projects manager at the yard, reckons enough has been learnt from past mistakes, and enough action taken, to make it a unique offshore construction asset for any purchaser.

Everyone involved now acknowledges what went wrong. Mr Kooymans says the key is effective supervision, more sophisticated offshore-oriented working methods and much more prompt *timekeeping.* Mr Day admits that in the past management may have been inept. "A lack of planning and a lack of thought" are the words used by Mr Duncan McNeill, shop *steward secretary* at Scott Lithgow, to describe attitudes of previous management.

For their part, the unions have said they will agree to accept any deal on working practices, if BS will guarantee the yard's future and renegotiate the Britoil contract. But BS has declined to do this in view of the past costs incurred at the yard. The men are bitter at what they see as the consequences of bad management. "We'd like to know where the millions of pounds went to in Scott Lithgow."

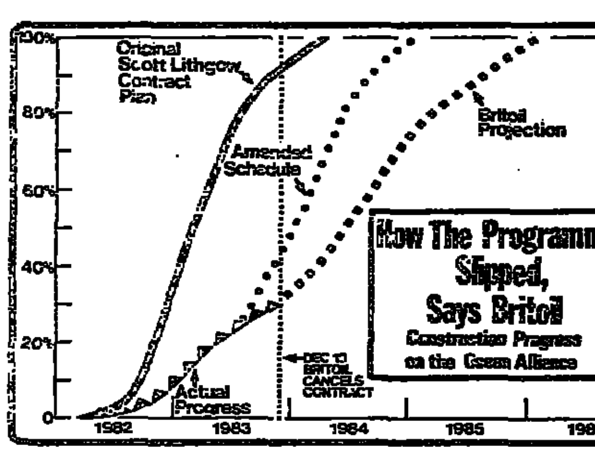
"The shop stewards have been trying to maintain morale, which has fallen to a low ebb," says Mr William Robb, the local delegate for the boilermakers' and a former welder in the yard for *some* 25 years. "The clouds of gloom and despondency have been hanging over them for quite a lengthy time."

It will probably be a long while before they lift.



The Britoil rig in the early stages of construction at the Scott Lithgow yard on the Clyde

Roger Taylor



Men & Matters

Union banker

Terry Thomas, the 49-year-old Welshman in charge of Unity Trust, the new trade union banking venture, is not the dreamy-eyed idealist or banking neophyte that sceptics might imagine.

Well-built, articulate, he has been a banker almost all his working life—and a successful one, best known for making Co-op Bank a force to be reckoned with in the High Street banking market.

But he is a trade unionist, a member of the Banking, Insurance and Finance Union. "If I didn't *identify* with Unity's long term aspiration, I would not have accepted this job," he says.

After a stint at NatWest and 10 years running Co-op's retail business, Thomas says: "There *are several ways of developing* a banking business. Unity is a clean slate. How many people have that opportunity?"

But he knows it will not be easy. He expects hostility from the media, scepticism in the City, and even puzzlement from the trade unions. So he is careful to talk of "sound banking principles" in the same breath as "social needs."

He smiles: "My banking colleagues told me it would be unwise to do anything connected with the trade union movement. That was the compelling reason to do it."

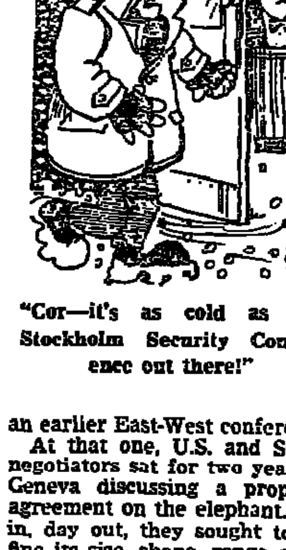
Weighty issues

The air of *surreality* which often surrounds huge international conferences has been unusually strong in Stockholm. Delegates from East and West have alternated between virulent public attacks on each other and lengthy private meetings together.

Which is for real—the harsh words in the open, or the more *businesslike chats in smoke*-filled rooms?

Will Europe be more or less secure when the conference is over?

Pondering such weighty questions, the attendant journalists have hardly been helped in finding answers by wags among them who recall the outcome of an earlier East-West conference.



"Cor—it's as cold as the Stockholm Security Conference out there!"

At that one, U.S. and Soviet negotiators sat for two years in Geneva discussing a proposed agreement on the elephant. Day in, day out, they sought to define its size, shape, range of its trunk, permitted size of herds and other arcane matters.

All the while, a huge but docile elephant stood in the next room, looking on through a glass door and reminding the negotiators of the object of their labours.

Came the day the last clause was completed, and the two delegations toasted their success. As they left the room, the U.S. leader put his arm through that of his Soviet colleague. "Well, Ivan, I guess we solved the elephant problem," he said.

"Elephant. What elephant?" Ivan replied.

Shock horror

The electricity sparked by a passionate priest and a pretty woman on Monday night was enough even to alarm the Central Electricity Generating Board.

Whatever the critics make of the BBC series, The Torn Birds, it is top of the CEGB's charts. The organisation keeps a close eye on the television schedules because the demand for electricity can rise suddenly at the end of a popular programme as viewers start making cups of tea and supper.

After the fourth, steamy episode of The Thorn Birds on Monday, the demand for eelctricity soared within minutes from 31,000 megawatts to 33,200 megawatts—the largest surge ever measured by the CEGB after a single programme.

It was only 100 megawatts below the all-time record when the end of an episode of Dallas on BBC coincided with the end of a European cup tie on ITV.

If the official TV ratings reflect what happened on the eelctricity meters, the BBC may wel have scored a rare success in toppling Coronation Street from its top spot.

Advice note

There may be some obscure symbolism in the fact that the Bank of England has chosen February 29 in a Leap Year as the retirement day for its two distinguished special advisers John Fforde and Christopher Dow.

Both were advisers to the Governor and were former executive directors of the bank. Their departures will mark a final break with the ancien regime of the former Governor Lord Richardson.

Both men were asked by Richardson to stay on as advisers after they reached the normal retiring age for executive directors of 60.

After two years in that capacity it was announced yesterday that Fford will start work on the next section of the bank's official history—from 1954 to 1961. No doubt an invaluable source of cross-checks during his labours will be Christopher Dow's classic work The Management of the British Economy, which covers the same period.

Meanwhile, Dow will also be working on a project which is expected to take his history forward into a later period.

The departure of Dow and Fforde leaves a comparatively *young team in charge of the* bank. All the present executive directors are in their forties.

Up market

British investors who zigged when htey should have zagged on the stock market over the last few years, might consider *moving some of their capital to* Riyadh in future.

According to the soon-to-be-published fourth development plan (1985-90) for Saudi Arabia, the kingdom intends to create a government-supervised system for the exchange of company shares "with the objective of encouraging investment and avoiding the pitfalls of financial speculation."

Well matched

Woman in a London menswear store: "Im looking for a tie that would be suitable for my husband — something not too bright."

Observer

POLITICS TODAY

By-elections are for fun

By Malcolm Rutherford

AN ACADEMIC inquest into the British general election of 1983 took place at the University of Essex last weekend. Mr Cecil Parkinson, the man who as Tory Party chairman played as large a part as anyone in the decision to go to the country in June and the subsequent Conservative victory, made a welcome return to political discussion.

Some interesting points emerged. For instance, it was generally agreed by the people involved that the Labour Party had not suffered unduly from having less money than the Tories. Indeed, according to some Labour sources, Labour probably made a profit out of the election campaign as money flowed in once it became clear that an early election was on the cards. The real problem is to raise funds when there is no election in sight.

Policies and internal divisisions apart, Labour's failings lay in lack of organisation in the months and years before. The party's election committee was not formed until November 1982. No basic research on electoral attitudes was undertaken until December. The decision to employ an advertising agency, itself a breakthrough in Labour Party terms, was not reached until early 1983. The Tories, on the other hand, had been working on the next general election ever since their victory in 1979.

Some of the lessons have been learned. Labour's campaign committee for the next election is already in existence. The party is conducting systematic polling of what the electorate thinks. And it looks as if the readiness to have an advertising agency will stick.

It was also interesting to hear from a representative of the BBC that the Corporation had undertaken its own polls on party political broadcasts. As many as 82 per cent of those polled thought that they were a good thing, though the opinion of a lot of the professionals involved is that the ten-minute formula is wrong. You either need something very short and snappy or something much longer, so that you can develop an argument.

All in all, one was struck by the size of the opinion poll industry, its marriage with the political science community and the extent, if not the depth, of their joint researches. Some of the work is close to parody.

There is a team at the University of Warwick which is playing and replaying the video recordings of all the live televised output from the three main party conferences of 1981 to see where and for how many seconds the speakers paused between words, and with what effect. The subject is called the dynamics of persuasive language.

Thus a speech by Neil Kinnock comes out like this: "Last week in Canada (1.0), the Prime Minister had this to say on the welfare state (1.0). It might, she said (0.7), end up not succouring (0.5), but suffocating (0.5), and then, she said (0.2), energy is sapped, initiative is stifled, enterprise is destroyed."

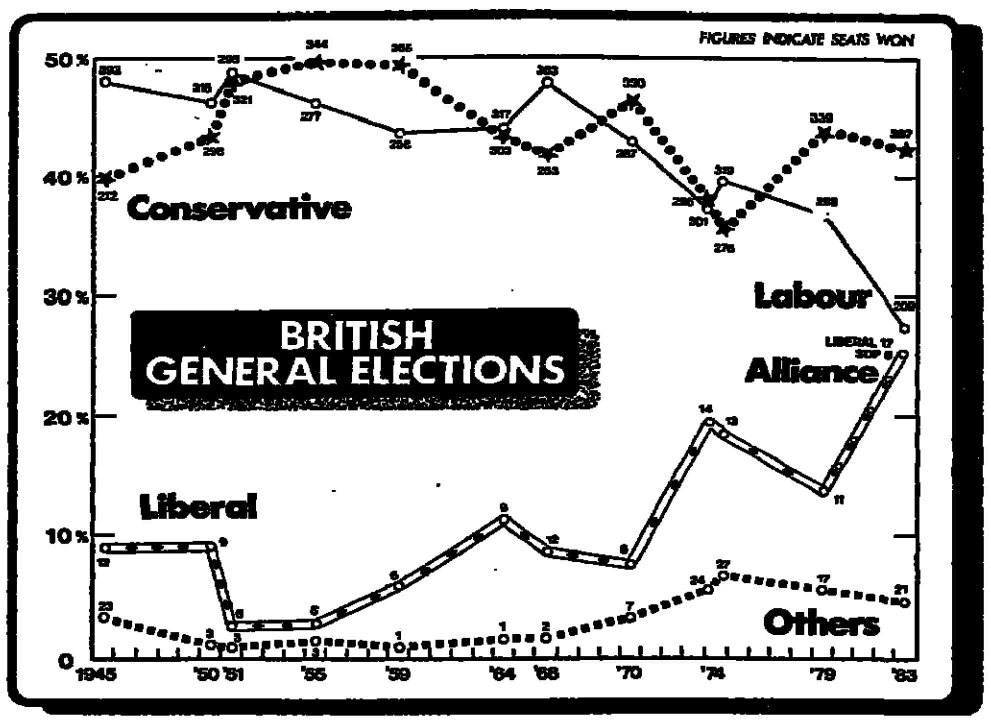
It seems to me that you might as well ask an actor how long he thinks it necessary to pause between "Friends, Romans, countrymen ... I come to bury Caesar, not to praise him." Or ask the politicians where they learned their rhetoric in the first place.

A team from Gallup, which is meant to be a commercial organisation, has been going round asking the question: "If you were on a long train journey of, say, four to five hours and the people in your compartment were discussing your political party in a favourable manner, how likely would you be to join the discussion?" And a similar question where the party is being discussed in a "critical manner." From the answers something is supposed to be deducible about the movement of public opinion.

Mr R. J. Wybrow, who presented the Gallup paper, dwelt on the increasing volatility of the British electorate. Yet one wonders if that is right.

Two things seem to have happened to British political science and the polling organisations closely allied to it. One is that they have become hooked on Mr David Butler's Nuffield formula of publishing a major study of every British general election since 1945 and have become excessively attached to studying the supposed influence of the media. The other is that they are losing the ability to distinguish between the short- and the long-range picture.

The result is that too much importance is given to general elections and not enough to what happens in between which is, after all, most of the time.



More interesting studies might be made, for example, of the machinery of government, the political effects of the electoral system and (say) the changes that might be brought about by having fixed-term parliaments. The obsession with volatility and with elections, whether general or by-elections, clouds the horizon.

As can be seen from the accompanying chart, the behaviour of British voters in general elections over the years has been remarkably stable. True, there have been changes over time. But it is not difficult to spot certain trends.

Three stand out:

- There has been a gradual decline in the aggregate vote for the two main parties.
- With the exception of the period around the general election of 1966, which in retrospect looks like an aberration, support for the Labour Party has declined more markedly than that for the Tory Party.
- There has been a gradual rise in support for a third party, though often of the three steps forward, two steps back variety.

There is nothing volatile about that. What happens is that a party captures a national mood, wins power and keeps it until it is exhausted or discredited, or the mood changes. A good subject for study would be why the mood changes or why governments run out of steam.

It is not self-evident either that the volatility theory is proved by the by-election results or by the fluctuations in the opinion polls. Of course, opinion goes up and down. It would be odder if it did not. But it might be useful to see by-elections as a kind of safety valve, appealing to the British sense of fun and the British sense of protest. People can vote then in a way they might not at a general election. They can vent their feelings without wishing to change the government.

Besides, the pattern of by-election results is not quite as erratic as is sometimes supposed. There were 20 by-elections during Mrs Thatcher's first administration—two of them in the same place, Fermanagh and South Tyrone, because of the hunger strike. Only in seven did the seat change hands and at least two of those cases were exceptional: Fermanagh, where the anti H-Block candidate won, and Merton, Mitcham and Morden, where the Labour MP defected to the SDP, gallantly put himself to the electoral test and let the Tory in.

There were only three cases where the candidate who gained the seat in the by-election held it in the general election, and one of those was Mitcham and Morden. The others were Mr Roy Jenkins in Glasgow Hillhead and Mr Simon Hughes, the Liberal in Bermondsey where the by-election had taken place just a few months before.

Again, many by-elections reveal almost nothing about the national mood. During the last Parliament, for example, there was never any question of Labour losing its hold in Glasgow Queen's Park, Gower or Coatbridge and Airdrie.

Occasionally, however, a by-election takes place where there are no special circumstances, the result is in doubt and when it comes can give some indication of the way the national wind is blowing. Such was Birmingham Northfield in October 1982.

Mr Parkinson has always said that the Northfield result was crucial in persuading him that a general election in June was on the cards and winnable. The Tories had gained it in 1979 by a surprisingly large swing, but had a majority of only 204. Unemployment should have handed it back to Labour on a plate in the by-election. In fact, Labour won by only 289. That was the signal for the Tories to get ready to go to the country. Labour failed to see it.

Chesterfield, where a by-election will take place shortly, ought also to have been a test of national opinion in the sense that there is nothing special or extraordinary about it. Now, because the Labour candidate is Mr Tony Benn, it will be the "Benn by-election." The result will tell us something about what the people think of him, which will be interesting in itself, but it will say little about the national standing of the political parties.

The latest opinion polls indeed suggest that nothing much has changed in the past few months. The Tories are holding steady at just below the vote they received in the last general election. Labour has picked up a bit under Mr Kinnock, but mainly at the expense of the Alliance.

Yet one or two caveats may be in order. It is possible that there is a timelag before the restlessness in the Tory Party at Westminster is perceived by the electorate at large. Conservative support might then begin to fall.

It is also notable that Labour is again beginning to behave like a real opposition. Dr John Cunningham made an outstanding speech for them on the rate capping Bill in the House of Commons on Tuesday, even if he was aided by Tory disarray. The Labour tail is now at least half-way up, and the opportunities for the Alliance in the Commons are limited.

The Tories, however, retain one built-in and obvious advantage. So long as there is more than one opposition, they are likely to benefit. It is only that ability of governments to run out of steam that should worry them. Still, if you are looking for trends in British politics, it is better to look at the big map shown above rather than the short-term fluctuations.

Lombard

The lessons of chemical peace

By Nicholas Colchester

THE ONLY substantial gesture so far made in the conference on disarmament in Stockholm has been the announcement by the U.S. that it plans to submit a draft treaty on the complete and verifiable eleminiation of chemical weapons at the United Nations disarmament conference in Geneva.

This did not get much public attention because the horrors of chemical warfare have persistently been overshadowed in peoples' minds by fear of nuclear war. Yet the story of chemical deterrence and disarmament throws up some interesting points for consideration by all engaged in the nuclear argument.

First, and most obviously, the history of chemical warfare suggests strongly that deterrence works in keeping indiscriminately destructive weapons out of war. It is astonishing that a government as unambiguously brutal as that of Nazi Germany resisted temptation to use the nerve gas at its disposal during the Second World War. While whole armies were being sacrificed and cities devastated, fear of retaliation still held Hitler back from using the ultimate V-weapon at his disposal. Since 1918 it is only countries patently unable to strike back—Abyssinia, Vietnam, Afghanistan—that have allegely been subjected to chemical attack.

Second, chemical deterrence has been bolstered since 1925 by a convention making the use of chemical weapons illegal *under international law.*

The question why use — as opposed to possession — of nuclear weapons is not similarly banned seldom receives much attention in the West: perhaps it seems wildly unrealistic. Yet it is a question which goes to the weakest point in Nato's nuclear case. The Soviet Union, albeit for self-serving reasons, is more willing to renounce first use of nuclear weapons than western governments. Nato fights shy of such a commitment, while promising overall non-aggression, because it continues to rely upon nuclear weapons as its ultimate answer to an overwhelming conventional attack.

This strategy of flexible response has always been a worrying ploy. But it has grown more worrying and less credible of late because of new perceptions that "local" use of nuclear weapons would probably lead to uncontainable escalation. The determination of Nato to preserve nuclear deterrence by matching the Warsaw Pact's nuclear options is sensible, but Nato's reliance on first-use as a *general* deterrent is the West's big question for the rest of this decade.

Beyond deterrence coupled with no-first-use lies the ideal world of verifiable elimination. In this world each antagonist can verify that his opponent does not possess a certain type of weapon, allowing balance of reassurance to replace balance of terror.

This is the concept which the chemical negotiators are probing in Geneva at the moment and which will be embodied in the draft treaty promised by George Shultz. The Soviet Union needs to change its attitude here if it wants to show any sincerity as a non-aggressor. It has persistently dodged, weaved and procrastinated in the face of Western readiness to destroy chemical weapon stockpiles and factories under international supervision.

Verification in arms control is the key to peace without fear, instead of peace through fear. The techniques and procedures developed for chemical weapon verification could later become relevant to checking numbers of atomic weapons. At the moment nuclear verification is a crude affair. It focuses upon the number of launchers or aircraft on each side rather than upon the actual number of warheads. It assumes, for instance, that a Pershing carries a nuclear payload, whereas in a non-nuclear Nato strategy it might be used to deliver a sophisticated conventional warhead.

In short, if the superpowers could agree on the verifiable elimination of chemical weapons it would establish an enormously important precedent which could lead, later on and via no-first-use, towards the verifiable winding-down of nuclear arsenals.

Letters to the Editor

Local businesses—representation and rates

From the Chairman, Surrey County Council

Sir,—Mr Skeffington (January 17) makes the point that commercial and industrial ratepayers have no representation. This has been raised many times during the present controversy, and is really a quite illogical argument. Might one ask what direct representation is there over corporation tax or VAT? Even if it were practicable to have a business vote, who would exercise it, and on what basis? Personal whim, a ballot of the staff, or the shareholders, or what? It is not a serious argument.

I note your correspondent lives in Surrey, and he may be interested to know that in this county domestic ratepayers pay more than one-and-a-half times as much towards the county precept as do commercial and industrial ratepayers.

I wonder how many ratepayers in Surrey, of all categories, realise that if the proposed rate-capping legislation goes through, thus reducing the expenditure of "profligate" authorities and enabling them to earn grant, that grant will come from a fixed total and Surrey, as well as many other prudent authorities, will have to foot the bill!

John Whitfield.
County Hall,
Kingston-upon-Thames.

Patent system improvements

From Mr N. Jenkins

Sir, — Neither your legal correspondent (January 12) nor *any of the current comment,* appears to have considered a problem that affects many patentees and the essential basic protection. I refer to what is understood to be the large ratio between patents granted and those abandoned before term.

True innovation, the idea that alters established practices: transistors to replace valves, telephones to replace messengers, cars to replace horses, plastics to replace tin and timber — the list is limited but expandable within everyone's experience — takes time and vast expenditure to effect.

The patent process is most intimidating to the individual. Marketing of what may be initially no more than a well-formed idea, and not a fully developed process is even more intimidating, disheartening and eventually discouraging. Many have experienced the barriers that established industries defend against innovation likely to disturb the even tenor of their highly capitalised manufacturing. None more so than the lone inventor with no PhD, no university department or influential voice to commend the project. Many inventors with sound ideas either abandon their patents after a few years' search for support or, if they progress, do not even seek further protection. Ideas often die with their originators.

Much of the difficulty could be removed if fees for renewal, say after five years of non-exploitation (certified by the tax inspector), could be reduced to a nominal figure — possibly equal to the original application fee. By this means no revenue would be lost, indeed, there would be some instead of none. The sitting on patents to prevent exploitation is an unproven myth and I hope no one will plead impossibility due to international agreement, nor insuperable difficulty due to lack of staff for registration or other clerical reason. Much more than this has been done in changing official attitudes and procedures in recent years.

Encouragement of innovation among the experienced and those approaching or actually retired could be easily and cheaply done. It is not youth unaided that can build on the solid worth of work done, breadth of contact and painfully acquired and expanded skills; it is not agility of mind but sheer plodding that gets to these goals. Patent renewal fees for the idea before its time (drastic energy saving is not yet justified) is one area in which this simple move could safeguard much for the nation as well as for the individual.

Norman Jenkins.
Whitehill, Ewshort, Farnham, Surrey.

No defence of new buildings

From Mr P. Hensby

Sir,—It is noticeable that in his article (January 11), the president of the Royal Institute of British Architects put forward no defence of new buildings other than that they are necessary to replace obsolete structures, and that when built on a huge scale, such as American skyscrapers, they possess an heroic quality.

One of the foremost reasons for the current desire to conserve old buildings — whether what he calls undistinguished 19th century Chelsea townhouses or early 20th century industrial architecture such as Battersea power station — is that what replaces them is so appalling. One only has to contrast modern shops, offices and blocks of flats which so anonymously turn our provincial cities into drab conurbations with renovated 18th and 19th century buildings which allow our market towns to retain so much of their charm and character.

Since the end of the war, architects have been responsible for the creation of tangible symbols of this country's decline. It is this realisation which has made people desire the restoration and protection of our architectural heritage in*stead of replacing it with in*ferior buildings based on dubious architectural theories and poor construction methods.

Paul Hensby.
69, Manchuria Road, SW11

The taste of wild venison

From Mrs I. Biggs

Sir,—I must write and protest at the ridiculous aspersions cast on wild venison by your article "Farmed venison for the supermarkets" (January 14).

"Traditional venison," as you describe it, does not have to be "put through a myth-laden ritual," nor is it either necessarily tough or putrid, if the cook has any sense! Obviously venison has to be properly hung, just like lamb or beef or any other meat.

Neither is a "game deer" shot in a part of the body which "ruins the best cuts of meat." Deer should be shot either through the neck or the heart; the latter may possibly, not necessarily, damage one shoulder, which is far from the best cut. They should never be shot through the stomach, not because this damages any meat (there isn't any there), but for humanitarian reasons, as this shot causes a slow and painful death.

We have been living almost exclusively on our own wild venison for the past 13 years, and exceedingly good it is. One can cook it in any way suitable for beef or mutton, the method varying according to the cut, as with any other meat. As both cook, and co-stalker with my husband, I do know what I am talking about!

(Mrs) Ian Biggs,
Culachy, Fort Augustus, Inverness-shire.

Landlords and the tax man

From Mr C. Cooke

Sir,—Mr. D. Tallon (January 7) raised the issue of confusion and inconsistency in tax law caused by reference back to earlier law. This practice, the consequences of which are not always immediately apparent, is currently likely to cause the private residential property sector to decline more dramatically than the Government and Treasury officials could believe.

Recent interpretation of the Finance Act relating to large private landlords, by relating back to earlier tax law by the Inland Revenue inspectors nationally, will result in all full-time landlords having their income charged by the Revenue *under Case VI of Schedule D* from 1983-84. In many cases this is a reversal of agreements in force for 10 or 15 years whereby previously the inspectors accepted that the income has been earned from a trade assessable under Case I of Schedule D. The Revenue is therefore charging all income from furnished lettings as unearned income even where it is the landlord's only occupation in which he may spend, 60 or 70 hours per week working in his trade.

The most significant consequences of this are: income previously treated as earned income becomes investment income subject to the 15 per cent surcharge; the income ceases to be relevent income for the purposes of providing for the landlords retirement pension; retirement relief on disposing of the business ceases to be available; and roll over relief on the disposal and replacement of an asset ceases to be available.

Why should the Inland Revenue discriminate in this way against a body of people carrying on a necessary trade and working as many hours as for instance a doctor, a solicitor or a painter and decorator? The Inland Revenue has great sympathy for the landlord's case but say the out-dated tax laws are to blame.

It is not too late for MP's to take action to resolve this injustice. If no action is taken to change this out-dated tax law, these measures will have the effect of decimating the private furnished residential sector at a time when we understand the Government wishes to expand the growth of this market to help satisfy the demand for this type of furnished accommodation.

Christoper G. Cooke.
White Court,
Foxhill Drive,
Leeds.

FINANCIAL TIMES
Friday January 20 1984

Yugoslavia offered better debt terms

By Peter Montagnon in London

YUGOSLAVIA's *commercial bank* creditors have offered the country a "significant improvement" in terms for rescheduling between $1.35 bn $1.6bn in debt falling due this year.

The offer was made at a meeting in London yesterday between Mr Janko Smole, Yugoslavia's chief debt negotiatior, and the committee of leading creditor banks chaired by Manufacturers Hanover. Mr. *Smole is expected to reply to the of*fer by the middle of next week.

Bankers attending the meeting said that the terms of the offer included a seven-year rescheduling of all medium-term commercial bank debt falling due this year. Repayments would begin after a grace period of four years.

Interest margins on the proposal are lower than those awarded to Yugoslavia for last year's rescheduling, which also had a life of only six years. That arrangement carried interest at a margin of 1⅞ per cent over U.S. prime rates of 1¼ per cent over Eurodollars.

The improvement in terms reflects Yugoslavia's economic turnround over the past year. Latest estimates presented by representatives of the International Monetary Fund to yesterday's meeting suggest a current account balance of payments surplus of $100m was recorded in 1983. This year the surplus should rise to $500m.

But the precise interest margins on the new offer are being kept confidential until they have been studied further by the government in Belgrade and by all the country's 540 creditor banks. The advisory committee "stands fully behind" yesterday's offer, but there is now some caution about foisting lower margins on creditor banks in the wake of initial responses to Mexico's latest $3.8bn credit.

Mexico's credit bears sharply lower margins than last year. It is paying a full point less over U.S. prime rate and this has aroused criticism from some U.S. regional banks as well as banks in Europe.

Yugoslavia has not been offered nearly such a sweeping cut in interest margins as Mexico.

Corporate income surge underlines UK recovery

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

A BUOYANT picture of economic recovery in Britain is painted in a series of official figures published yesterday.

But despite growth in the consumer and company sectors, this buoyancy has not been reflected in manufacturing output, which is rising only sluggishly.

The latest figures for manufacturing output published on Tuesday suggest that it is still 15 per cent below its level at the last peak of economic activity in 1979 and is now rising very slowly.

On the other hand, the latest indicators for the economy as a whole, published yesterday by the Central Statistical Office (CSO) suggest that the recovery is not yet running out of steam.

They show that:

- Recovery seems likely to continue for at least the next 12 months.
- After further growth in the last three months of 1983, the volume of consumer *spending* for the whole year is estimated to be 3.5 to 4 per cent higher than in 1982.
- Companies' income after adjustment for stocks rose by 47 per cent in the first nine months of last year compared with the corresponding period of 1982.

The CSO's longer leading indicator, which predicts activity some 12 months ahead, continued the rising trend established early in 1982. The *shorter leading indicator* (which predicts 6 months ahead) showed a slight fall for November, and has faltered somewhat since July, but this does not necessarily point to a break in the generally rising trend.

The figures for consumer expenditure showed a 1 per cent rise between the third and fourth quarters of last year in 1980 prices, largely as a result of the boom in retail sales.

Provisional estimates from the CSO put total consumer spending in 1983 at £144.8bn ($203bn) in 1980 prices, a rise in volume of 3.7 per cent compared with the figure for 1982.

The company figures for the third quarter, also issued yesterday by the CSO, show a rise in the financial surplus for the sector from about £1.1bn (all in current prices) in each of the first two quarters of the year to £2.63bn in the third quarter.

This large rise in the surplus has not been matched by any significant increase in fixed investment or of stockbuilding.

Fixed investment in the third quarter remained close to its recent quarterly levels at £3.76bn, while stocks were reduced by £181m, somewhat less than in the second *quarter.*

The large surplus, which may explain some of the recent buoyancy of the stock market, reflected a big increase in receipts, from £4.6bn in the second quarter to £6.25bn in the third quarter.

After allowance for appreciation of the value of stocks, undistributed income in the first nine months of the year was £15.31bn compared with £10.35bn in the same period of 1982.

Money supply overshoot, Page 7

British minister backs plan to improve investor protection

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

MORE PROTECTION for investors in Britain against malpractice by investment experts was desirable, Mr Alex Fletcher, Minister for Corporate and Consumer Affairs, said in London yesterday.

Mr Fletcher said that the Govern*ment saw "the strengthening of the* investor's protection against malpractice as desirable not only in itself, but also as a means of enhancing the standing of our financial services and promoting their use both here and overseas."

The minister was speaking after the publication this week of a controversial report, commissioned by the Government, on investor protection. The report, prepared by Professor Jim Gower, has detailed wide-ranging proposals to overhaul the regulation of Britain's financial community.

These *proposals* include recommendations that the Department of Trade and Industry should be vested with sweeping new powers to supervise all areas of investment activities through the establishment of self-regulatory agencies.

Mr Fletcher said that the Government's approach to Prof Gower's recommendations would not be based on regulation for its own sake, but as a means of enhancing the reputation of the market.

It was early days for the Government to be making its response, he said. He was not going to rush to judgment "about recommendations which, though they are directed to the regulatory framework, have important implications for the compet*itiveness of our financial institu*tions and markets. I do not subscribe to the view that internationally competitive financial services and regulation are incompatible."

Mr Fletcher said there were two fundamental objectives which underlay the Government's policies towards the City of London and its institutions. "The Government wants to maintain and foster in the UK services including a central securities market which are efficient, comprehensive and competitive in domestic and international mar*kets." The second objective was to* ensure that investors were properly protected against malpractice.

The best means to secure these two ends was, he said, effective self-regulation." The role of Government should, in my view, be limited so far as possible to ensuring that proper self-regulatory arrangements are established and enforced and that competition is given the fullest play compatible with the due protection of investors."

The London financial community yesterday generally welcomed the Gower report. The influential City Capital Markets Committee said it had no broad reservations on the principles of the Gower proposals.

Norwegian shrimp industry defends its good name

By Ivo Dawnay in Brussels

NORWEGIAN shrimps have such a high reputation that fishmongers in many European countries have traditionally sold all pink shrimps as "Norwegian," regardless of their country of origin.

The compliment is now threatening to devastate the Norwegian in*dustry's recent export successes.*

The trouble began last week when Dutch journalists reported that the source of a recent food poisoning outbreak which has killed 13 Utrecht pensioners and left up to 100 others seriously ill had been attributed to "Norwegian shrimps."

Dutch health service officials, in fact, were only referring to shrimps in general. The contaminated con*signment is accepted to have been a* warm water variety from the Far East. By the time this explanation was made, however, the damage had been done.

Norwegian Government officials with the country's Shrimp Exporters' Association have been battling this week to safeguard their shrimps' reputation along with the NKr 80m ($10m) they earned last year *in exports to northern Europe.*

Already, however, several governments have acted to stem imports, despite Norwegian protestations that all their consignments undergo rigorous bacteriological tests.

Norway is particularly irked by a French ban on all shrimp imports. Sales to France of NKr 17.4m in the first 11 months of last year were double that of 1982.

The immediate costs of bans and restrictions to the Norwegian industry is expected to run at NKr 2m a month for as long as the scare continues. *The immediate fall in* sales and the long-term consequences for consumer confidence may be much more expensive.

The affair is certain to upset the growth of the Norwegian shrimp industry, which has in recent years provided an increasing proportion of the country's NKr 2.8bn fish-product export earnings.

Reuter reports from Dhaka: Bangladesh denied yesterday that shrimps exported from the country were responsible for the deaths

A spokesman for Dhaka's Metropolitan Chamber of Commerce and Industry, which controls shrimp exports, said the deaths occurred after people ate cooked shrimps. Bangladesh, he said, only exported shrimps which were neither cooked *nor peeled.*

The Dhaka chamber had asked Bangladesh's Commerce Ministry to take up the matter with the Dutch Government and concerned agencies so misgivings created by the reports could be removed immediately.

It feared the reports could hit shrimp exports, expected to earn Bangladesh more than $66m in the current financial year.

Japan is the biggest importer of Bangladeshi shrimps. The city of Nagoya banned their sale following reports of the deaths in the Nether*lands. Other major buyers include* Belgium, Italy, the U.S., West Germany and Britain.

THE LEX COLUMN

Firecrackers in the London market

If the FT 30-Share Index is supposed to act as a *stately* measure of the progress of the UK's most distinguished industrial companies, it is not doing much of a job. Yesterday the constituents were again *roaring* around in all directions – though mostly upwards – as takeover rumours, whispers of U.S. ivestment activity and, heaven forbid, even press comment gave the index the appearance of an over-the-counter options market.

Stock selection is currently the fashion in London yet it is so undiscriminating that almost any company can expect its share price to be *picked for special attention if only* it is patient.

When performance does not justify a rerating speculation that the company is ripe for a takeover probably will. Yesterday, for a variety of reasons, Beecham, Bowater and P & O were all spinning upwards.

The third quarter figures on companies' financial position, published *yesterday, provide some justifica*tion for this speculative buying. The financial surplus totalled £2.7bn, bringing the cumulative total for the first nine months of 1983 to almost £5bn.

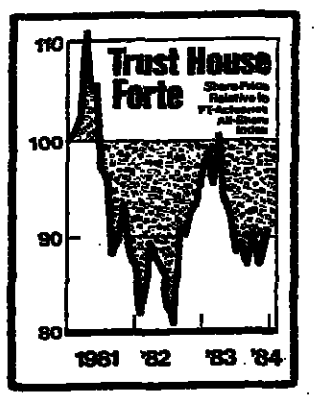
These numbers are not particularly reliable they do not square easily, for example, with the net borrowing requirement figures but, set against a surplus of £500m for the first nine months of 1982, the trend is unequivocal.

The strength of corporate liquidity has encouraged the market in the belief that rights issues should *be few and far between this year,* and underlined the resources available for take-overs. To judge from the present flatness of capital spending, this is currently the preferred method of acquiring assets.

A few years ago the market would scarcely have bought Distillers equity on the grounds that the company might be taken over. Recently, however, evidence of a more open competition policy and bids on the scale of those for Eagle Star and Pennzoil have emphasised that hardly anyone is safe.

Dixons

Dixons seems to have switched its image from rag-bag conglomerate to clean-cut retailer just in time for the retail sales boom. The interim figures to mid-November, with pre-tax profits up 38 per cent to £7.6m, were much as expected; the



doubling in the retail contribution was not.

The 40 per cent increase in retail sales – by volume as well as value – *was achieved with the* benefit of only 10 per cent extra selling space. By the year-end, with the Orbit stores in full operation, the space will be up by 20 per cent.

After a similarly good Christmas, the full-year pre-tax total seems to be heading for £19.5m. And Dixons presents a striking example of the case for actual tax p/es. Against an average tax rate for GUS and *Marks & Spencer of 35–40 per cent,* the norm for Dixons – as in these figures – is under 15 per cent. Thanks to some fancy footwork in overseas tax management and heavy emphasis on fixtures and fittings, it looks like staying that way. This makes comparison with the rest of the stores sector difficult, but on an actual tax basis the current year multiple is just nine, on a share price of 253p.

Trusthouse Forte

God Bless America will soon have to replace Land of Hope and Glory on the soundtrack of Trusthouse Forte's (THF) promotional films if the benedictions of a strong dollar last much longer. True, the dollar's *strength has added £17m to the* sterling equivalent of THF's dollar debt as at last October and £1m to interest charges over the latest financial year. Against that, however, the group's U.S. hotel profits have soared since last April, delivering a foreign exchange gain of their own. Best of all, the currency factor has translated via London's tourist crowds into a 22 per cent jump in trading profits for THF's UK hotels. The net result is an even bigger leap in group pre-tax profits for the 12 months to October, from *£57.1m to £82.1m.*

Beyond the dollar's mighty reach, there has been some disappointments. In-flight catering has proved still more competitive and a setback here largely explains the virtually flat trading performance for the whole UK catering division. In the provincial English hotels, occupancy rates have probably lagged behind the recovery seen by some competitors and an 8 *per cent in*crease in average room rates has only just kept ahead of 5 to 6 per cent rises in wage costs.

Given its vigorous approach to sleepy assets these days, THF can be expected to give its provincial chain another shake or two. Property disposals worth £70m have added £12.8m to the latest profits, against £4m in 1981-2, and it seems likely – with $6m or so already made *on the* sale of Colony Kitchens in the U.S. – that this could be exceeded in the current year. Trading profits are also reported more than 30 per cent *ahead so* far this year, so the £100m target should be easily in range. That would put the shares at 201p on a p/e of 11 assuming a 25 per cent tax rate, while the yield after yesterday's dividend increase is just over 6 per cent.

Allied Hambro

The new business results from Hambro Life, the main arm of the Allied Hambro Group, show that the company has resumed its growth trend after just two years of uninspired results during which it re-organised its sales force and revamped its product range.

A near 20 per cent improvement in sales from a static sales force, indicates that the company has found the balance between controlling expenses and expanding new business. The whole life plan sold well and great things are expected from a new portable pensions plan launched on Wednesday.

The benefits of this growth will come through in the current year.The 1983 earnings, meanwhile, still reflect two dull earlier year's at Hambro Life.

However, the benefit of the 200 per cent growth in unit sales last year from Allied unit trusts should come through more quickly and boost earnings per share by around a fifth. At 469p the share price yields 4.5 per cent on a prospective dividend increase of 17 per cent.

Gromyko rules out return to Geneva

Continued from Page 1

A U.S. desire to retain "confidentiality" has led to marked reluctance on the American side to reveal the substance of the Shultz-Gromyko talks. Mr Shultz told reporters accompanying him to Oslo that "only time will tell" whether they were a step in the direction of a more constructive relationship between the super-powers.

Reginald Dale adds from Washington: President Ronald Reagan is reacting calmly to Wednesday's bitter attack on his foreign policies by Mr Gromyko and is still hopeful of an improvement in relations with Moscow, according to administration officials. "He's not letting it get under his skin," a presidential aide said yesterday.

Dow Jones plans share split

BY TERRY DODSWORTH IN NEW YORK

DOW JONES, publisher of the Wall Street Journal, is *planning* a capital reorganisation which will strengthen family control over the U.S. group and may result in its share quotation being removed from the *New York Stock Exchange (NYSE).*

Mr Warren Phillips, chairman of Dow Jones, said that the proposals were aimed at ensuring the long-term future of the group's publications "under the same quasi-public trust philosophy that Clarence Barron and his descendants have followed through the company's history."

Since Mr Barron bought Dow Jones in 1902, the group has remained under the control of his descendants in the Bancroft family, which holds 56 per cent of the common shares and has *four* board representatives.

The Bancroft heirs, descended through three branches of the family, has always acted as a concerted body, but the new move is designed to increase the voting strength of the family and avoid any possibility of a takeover.

The company stressed yesterday that it knew of no developments threatening the family's control.

Under the plan approved by the board, and due to go to shareholders in April, a new class of voting shares is to be created with only limited transfer rights, but the right to ten votes per share.

Since no trading is to be allowed in these new class B shares, existing shareholders are expected to convert their holdings into existing common stock.

The family, on the other hand, will continue to hold their class B shares *and* thereby *increase* their voting control.

Dow Jones said yesterday that this type of share structure was almost certain to mean that it would have to *leave* the *NYSE*, which frowns on splits of this kind.

The company is expecting record profits this year after making net profits of $80.8m in the first nine months, or *$1.26 a share.* It is proposing dividends of 72 cents a share on its 64m shares.

Broströms sells unit to avert collapse

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

BROSTRÖMS, the financially troubled Swedish shipping concern, is being forced to sell the most profitable part of the group's operations in order to stave off the threat of imminent financial collapse.

At the same time it is discussing a financial rescue package with its major shareholders and creditors involving a write-down of its current equity, an injection of new equity capital, renewed state credit guarentees and a write-down by the banks of part of their outstanding loans.

As a first step towards rescuing the group, which has run up losses *of more than SKr 1.7bn ($207m) in* the past nine years, its two major shareholders, the Asken and Investor investment companies, have agreed to buy Broströms' marine service division in a deal believed to be worth in the region of SKr 300m.

Broströms' financial crisis entered a crucial phase this week with the withdrawal by the state's Ship Credit Guarantee Institute of loan guarantees granted last year to underwrite the building of a SKr 500m roll-on/roll-off container ship at the Kockums shipyard in Malmö.

Payment of more than SKr 100m on the vessel, which is scheduled for delivery in October, is now due, but without some form of financial rescue Broströms will be hard-pressed to meet its commitment. *The vessel is to be operated* by the Atlantic Container Line (ACL).

Yesterday's move by Asken, the investment company controlled by financier Mr Erik Penser, and Investor and the Wallenberg Trust, which are closely allied to Skandinaviska Enskilda Banken, was aimed at calming the growing fears of the shipping group's customers *and suppliers about its precarious* financial position.

The shareholders have made clear, however, that they will be willing to consider a new capital injection only if the group's main creditors, the banks and the state, also shoulder part of the financial burden.

Broströms has only been able to *survive nine consecutive years of* losses through the sale of ships and other assets and drastic cuts in its work-force, which has fallen to fewer than 3,500 from nearly 8,000 in 1977.

In 1982 the group had turnover of SKr 1.97bn – making it the country's third largest shipping group – and net losses of SKr 100m.

The sale of the marine service division will come as a bitter blow, as it is one of the few Broströms activities that has made money in recent years. The division, which includes salvage, towing, diving, and heavy lift operations, and marine engineering and transport contracting, had a turnover of SKr 241.6m in 1982.

*Asken and Investor intend to of*fer shares in the new marine service company to all existing Broströms shareholders.

BL truck division to cut 1,000 jobs

Continued from Page 1

retary, said last night that "in spite of the hard work and co-operation by *the labour force in improving* productivity (at Bathgate) the problems facing the company are particularly severe due to the virtual collapse of export demand for the products made there."

Mr Younger pointed out that the Government was now considering the BL corporate plan for 1984 "and have already sought from the company certain further information resulting from the review of its costs".

Our Labour staff writes: Ford responded to union claims that it was running down UK manufacturing operations by saying yesterday that it had invested more in Britain between 1979 and 1982 than BL, Vauxhall and Talbot together.

It spent £1.336bn, compared with BL's £986m, Vauxhall's £71m and Talbot's £35m. Ford described claims that it was running operations down to assembly only as "total nonsense."

Unions are urging members to strike from February 13 if Ford does not withdraw plans to close the Dagenham foundry in Essex. They say a range of Ford's manu*facturing facilities in Britain are* under threat.

At Talbot UK, meanwhile, 130 maintenance men and toolroom engineers rejected a revised pay of*fer and voted to strike from lunch*time today.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	R	9	48	Dubrovnik	C	8	46	Malaga	S	17	63	Salzburg	C	0	32
Akrotiri	S	17	63	Faro	F	16	61	Malta	S	17	63	Seoul	S	-2	28
Algiers	S	17	63	Florence	C	5	41	Manila	S	32	90	Singapore	S	31	88
Amsterdam	C	3	37	Frankfurt	F	2	36	Miami	C	26	79	Stockholm	S	-5	23
Athens	S	15	59	Funchal	F	18	64	Milan	Sl	3	37	Strasbourg	Sn	0	32
Bahrain	S	19	66	Geneva	Sn	-1	30	Moscow	C	-2	28	Sydney	S	24	75
Bangkok	S	31	88	Gibraltar	C	16	61	Munich	F	-1	30	Taipei	C	15	59
Barcelona	S	12	54	Guernsey	R	5	41	Nairobi	S	27	81	Tangier	C	15	59
Beirut	–	—	—	Helsinki	C	-2	28	Naples	F	14	57	Tehran	–	—	—
Belgrade	S	6	43	H. Kong	C	16	61	New Delhi	C	23	73	Tel Aviv	C	14	57
Berlin	S	2	36	Innsbruck	F	-1	30	New York	S	0	32	Tenerife	C	18	64
Biarritz	C	12	54	Inverness	S	-1	30	Nice	R	6	43	Tokyo	Sn	3	37
Blackpool	S	2	35	Istanbul	F	9	48	Oporto	F	13	55	Toronto	S	-7	19
Bordeaux	R	11	52	Jersey	F	5	41	Oslo	F	-9	16	Tunis	S	16	61
Brussels	S	4	39	Jo'burg	S	30	86	Paris	Sn	1	34	Valencia	S	14	57
Budapest	S	3	37	Las Palmas	C	19	66	Prague	S	2	36	Venice	C	5	41
B. Aires	S	35	95	Lima	S	26	79	Reykjavik	S	-2	28	Vienna	S	4	39
Cairo	C	16	61	Lisbon	D	15	59	Rio de J'o	S	36	97	Warsaw	F	2	36
Cape Town	S	29	84	Locarno	C	1	34	Rome	C	12	54	Zurich	Sn	-1	30
Caracas	S	28	82	London	S	3	37								
Casablanca	S	17	63	Los Angeles	S	19	66								
Copenhagen	Sn	1	34	Luxembourg	F	0	32								
Corfu	F	13	55	Madrid	C	10	50								
Dublin	S	2	36	Majorca	F	15	59								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

Andermatt (Sw)	50–130 cm	*Skiing good above 2000m*
Andorra (And)	51–148 cm	Good skiing on most runs
Les Arcs (Fr)	85–145 cm	Good skiing everywhere
Avoriaz (Fr)	120–122 cm	Good skiing on upper slopes
Ischgl (Aus)	50–160 cm	Powder on hard base
Niederau (Aus)	35–110 cm	Hard packed on piste
Saas Fee (Sw)	40–90 cm	Powder on good base
Seefeld (Aus)	72–100 cm	New snow on hard base
Selva (It)	20–40 cm	New snow on icy base

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col)	29–53 ins	Packed powder
Hunter (NY)	24–84 ins	Packed powder and granular
Park City (Ut)	24–97 ins	Powder
Stowe (Vt)	30–66 ins	Packed powder

Figures indicate snow depths at top and bottom stations.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday January 20 1984

InterFirst halves payout after deficit escalates

BY WILLIAM HALL IN NEW YORK

MR ELVIS MASON, chairman and chief executive of InterFirst, the biggest bank in Texas, has resigned and the bank is recommending that its dividend be halved, after a serious disagreement with the U.S. Securities and Exchange Commission which has forced the bank to restate its record third-quarter loss from $194.2m to $243.5m.

InterFirst, the 13th biggest banking group in the U.S., was one of the fastest growing banks in the U.S. and much admired by Wall Street investors until it shocked the financial community by reporting the highest ever quarterly loss in U.S. banking history last October, following problems on its energy lending side.

In announcing its third-quarter loss, the group recorded $54m of future tax benefits, resulting from carrying forward a net operating loss. This action, which was taken in accordance with generally accepted accounting principles, was challenged by the SEC, which argued that InterFirst had not met the agency's interpretation of the accounting standard and advised that the company's third-quarter figures be re-stated.

InterFirst and its accountants, Arthur Andersen, said yesterday that they continue to believe that the accounting treatment used in reporting InterFirst's third-quarter financial statement was in accordance with generally accepted accounting principles. However, in order to avoid controversy, time and expense, InterFirst has decided to restate its third-quarter results.

InterFirst said yesterday that Mr Mason, aged 50, who has headed the bank since November 1980, had resigned and been replaced by Mr Robert Stewart, aged 58, who had headed the group between 1965 and 1980.

InterFirst yesterday reported sharply lower profits for its final quarter with net income of $7.7m compared with $51.7m in the same period of 1982. For the full year InterFirst has posted a net loss of $171.6m compared with a net income of $206.9m in 1982.

InterFirst's board of directors will discuss the dividend payment at their next meeting in February, but InterFirst's management is recommending a payment of 15 cents, half the current rate.

The bank provided $49.9m against loan losses in its final quarter up from $36.6m a year ago. For the full year the bank's loss provisions rose more than fivefold to $556m and its loan charge-offs rose nearly eightfold to $443m.

Continental Illinois, which is still suffering the effects of its involvement with the failed Penn Square Bank, has reported a 38 per cent drop in its final quarter net income to $25.4m.

The group increased its provision for credit losses by $24.7m to $110m in the latest quarter and says that its credit losses totalled $102.7m, slightly down from the $106.9m in the final quarter of 1982.

The group's non-performing loans fell by $100m to $1.9bn between the third and fourth quarters of 1983. Continental says that non-performing loans attributable to Penn Square were $485.5m at the end of the year against $594.5m a year ago.

For the full year Continental's net income rose 39 per cent to $108.3m, but the improvement reflected the absence of the heavy losses of the group's 1982 involvement with Penn Square.

First City Bancorp of Texas, the fourth biggest Texan bank, is also suffering from its over involvement in the U.S. energy industry. Yesterday it reported a fourth-quarter loss of $13.9m, against a net income of $24.8m in the comparable quarter of 1982.

Potain to cut workforce by 830

By David Marsh in Paris

THE LATEST in a wave of redundancies hitting the French capital equipment industry has been announced. Potain, the world leader in manufacturing of tower cranes, is seeking to cut 830 jobs, nearly a third of its French workforce.

The plan, which the management wants to put into effect by March 30 to help to stem mounting losses caused by falling orders, has been hotly contested by unions. The issue is due to be discussed by Potain executives and union representatives at a works committee meeting today.

Potain, which had a turnover of around FFr 850m ($98.8m) last year, has suffered along with a string of other French equipment makers from the slump in the French construction market and sharpened competition abroad.

The company employs around 2,600 in France, and the workforce has already been slimmed in recent years in response to the sluggish economy. Based at Ecully, in the Rhône region of south-east France, the redundancy plans would lead to the closure of a number of factories in the area.

About 470 employees have been on part-time working since last November because of falling orders.

The overall French capital equipment sector, which has sales running at around FFr 11bn a year, much of which is accounted for by exports, has been one of the areas of French industry worst hit by recession and falling investment.

The industry's assocation said at the end of last year that volume sales fell 20 per cent in the first half of 1983 and warned that 1984 would probably show no improvement.

Haindl seeks to acquire major stake in Parenco

BY WALTER ELLIS IN AMSTERDAM

PARENCO, the Dutch state-controlled paper manufacturer which is poised to assume the management of the troubled French paper maker, Chapelle-Darblay, is set to take on board a major new shareholder, Haindl of West Germany.

Talks are at an advanced stage between Haindl and the Dutch National Investment Bank (NIB), controller of Parenco, which would give the German group 69 per cent of Parenco's ordinary shares while leaving ultimate control in the hands of the NIB.

Legal title to Parenco would remain with the NIB, which would retain the bulk of voting shares. Financial control and administration would rest with Haindl.

It is understood that Haindl, a paper and packaging group employing 2,400 workers and with an annual production of 760,000 tonnes, would inject Fl 60m ($19.3m) into Parenco by way of new capital.

In neither case – Parenco for Chapelle-Darblay, Haindl for Parenco – is the deal completed, but the principle in each has been agreed, opening the way to a complex European broadening of an important part of the paper industry in all three countries.

The news that Parenco is almost certain to take over the running of Chapelle-Darblay – although not its ownership – is already of considerable significance. The French venture's hopes of remaining alive are considerably enhanced, and Parenco gains a lucrative management contract that promises to provide profits over the next few years.

In addition, through cross-fertilization of ideas, there is an excellent prospect that new techniques and improvements will result from close co-operation between the two.

Higher target for BASF unit

BY JOHN DAVIES IN FRANKFURT

BASF, the West German chemical group, is aiming to boost sales revenue from its information systems activities by 15 per cent a year during the next few years.

It managed a 13 per cent increase in revenue from these activities to more than DM 1.5bn ($535m) last year, despite a drastic 25 per cent drop in prices of one of its main products, video cassettes. But it believes video cassette prices now will stabilise, despite continued intense competition.

BASF's information systems activities are a relatively small but high-profile part of the group's worldwide chemical-based operations, contributing a modest 4 per cent of sales revenue.

It moved into the field 50 years ago with its first commercial delivery of magnetic tape to AEG in Berlin in 1934.

Last year, BASF's fast-growing video cassette production provided 24 per cent of the information systems division's revenue, with audio cassettes and tape making up another 24 per cent.

But these two were nearly matched by computer technology, including magnetic storage media, which contributed 45 per cent of the division's revenue. Reproduction technology, including printing plates, provided a further 7 per cent.

Mr Manfred Heckle, head of the division, said that profits had come under pressure because of the need to reduce prices in competitive markets. For this reason it was necessary to bring about continual cost cutting through technological improvement, rationalisation measures and expansion of capacity.

Alcan recovers as ingot prices rise

By Robert Gibbens in Montreal

ALCAN ALUMINIUM's earnings came back strongly in the fourth quarter of 1983 as ingot prices rose and volume continued higher in sales of fabricated products.

The U.S. market was the largest factor in Alcan's return to more normal profitability, while Europe was recovering. Latin American business suffered further from the adverse economic climate.

Fourth-quarter earnings were $55m or 57 cents a share, against a loss of $60m a year earlier. Revenues were $1.41bn against $1.09bn for all 1983, and net profit was $73m or 81 cents a share against a loss of $58m.

Earlier Alcan announced that it had filed an application with the British Columbia provincial government for approval to proceed with its Kemano project, involving the construction of hydro facilities and two primary smelting plants in northern British Columbia.

The value of the project in current terms would be around C$3bn ($2.4bn).

Kaiser Steel shareholders clear takeover

By Our Financial Staff

SHAREHOLDERS of Kaiser Steel, the big Californian steelmaker, have approved the $374.4m acquisition of the company by an investor group led by Mr Joseph Frates of Tulsa, Oklahoma.

The vote, at an uneventful 20-minute meeting, ends a long battle for control of the group which had also involved Perma Resources of Colorado and an investor group led by Mr Irwin Jacobs, the Minneapolis investor.

Air France back in the black

BY PAUL BETTS IN PARIS

AIR FRANCE returned to the black last year with a slim profit of FFr 85m ($9.8m) after reporting a loss of FFr 792m in 1982.

The French state-owned airline intends to consolidate its financial recovery this year in view of a heavy financial commitment it will face in 1985 and 1986. Air France will begin next year to make the first payments for the renewal of its fleet, including the purchase of 25 new Airbus A320 aircraft.

Referring to these new investments, Mr Henri Sauvan, the group managing director, said the company did not want to indebt itself again in "an excessive manner" to finance its fleet renewals.

Air France also reported a sharp increase in cash flow last year to FFr 2.4bn compared with FFr 500m in 1982. Sales totalled FFr 94.4bn last year and the company's average load factor rose to a record 65.8 per cent.

For the first time since it has been in service, Concorde reported a small operating profit of FFr 28m. This follows a sharp reduction of supersonic services to only one daily Paris-New York flight and charters.

Air France's return to profit was achieved without any of the painful surgery undertaken by some of its major international rivals, M Pierre Giraudet, the company's chairman, said.

The profits reflected a more efficient management of costs and services

Aluminium revival lifts Reynolds

BY TERRY BYLAND IN NEW YORK

A FURTHER recovery in profits in the final quarter of 1983 at Reynolds Metals reflects a strong rebound in demand for aluminium in most of its major markets, according to Mr David Reynolds, group chairman.

Net earnings at Reynolds, the second largest U.S. aluminium manufacturer with 11 per cent of the world market, totalled $12.3m or 55 cents a share, compared with a loss of $19.8m or $1.08 in the comparable period.

The group returned to profit in the second half of 1983 but turned in a loss of $99.1m or $5.15 a share for the full year, including $61.7m charged for a plant closure. In 1982, Reynolds, based in Richmond, Virginia, earned $7.7m or 26 cents a share, taking in a $21.1m closure charge.

Mr Reynolds commented that margins on most fabricated products continued to lag behind those for ingots.

Disappointing year for Raytheon

By Our Financial Staff

RAYTHEON, the U.S. manufacturer of air defence systems and other government electronic products, has had a disappointing year.

Fourth-quarter profits edged ahead from $70.7m to $73.4m, but earnings for the whole of 1983 slipped from $318.8m to $300.1m. Earnings per share were $3.55 against $3.78 for the year, and 87 cents against 84 cents for the final quarter.

Sales increased substantially, from $5.5bn in 1982 to $5.90bn for last year. Fourth-quarter sales expanded from $1.3bn to $1.5bn.

Order backlog declined, however, to $6.1bn at end-December from $6.3bn a year earlier.

Raytheon said its Beech subsidiary lifted sales during the year due to higher deliveries of military training aircraft. But heavy research and development costs for a new turbo-prop business aircraft and a 19-passenger commuter aircraft that was certified late in the year held earnings significantly below 1982 levels.

The group's government electronics systems business was particularly strong in earnings and sales, and Raytheon's appliance products units also performed well.

The energy services operations, however, ended the year with substantially lower earnings

Warner boosts bid defence

BY TERRY DODSWORTH IN NEW YORK

ATTEMPTS BY the Australian publisher, Mr Rupert Murdoch to build a commanding position at Warner Communications were dealt a heavy blow yesterday when the troubled U.S. entertainments group announced that it had completed its asset swap transaction with Chris-Craft Industries.

Warner's move follows anti-trust clearance of the deal by the Federal Trade Commission. It will give Warner a 42.5 per cent stake in BHC, an independent television broadcasting system owned by Christ-Craft, while Chris-Craft will receive a 19 per cent voting interest in Warner through the issue of 15.2m new preferred stock.

These cross holdings will complicate Mr Murdoch's bid for control of Warner, in which his 7 per cent voting stake will be diluted to around 5 per cent by the stock issue to Chris-Craft. He has previously stated that he would consider a proxy fight for Warner, but if Chris-Craft converts its preferred stock it will have a 15.6 per cent voting interest in Warner's common shares, and it has said that it intends to build this up to 25 per cent.

Mr Murdoch had previously lost a court action in Delaware aimed at bringing a temporary restraining order against Warner and Chris-Craft. But the Federal Communications Commission said yesterday that it was still considering a petition from Mr Murdoch's U.S. interests claiming that the Warner Chris-Craft deal would violate regulations on the ownership of media outlets.

No comment was available last night from News America Publishing, Mr Murdoch's U.S. subsidiary.

The entertainments group said that it had heard nothing from the FCC concerning the Murdoch petition, but that in its view the agreement with Chris-Craft would not violate any of the broadcasting regulations.

Caterpillar reduces loss to $11m

BY OUR NEW YORK STAFF

CATERPILLAR TRACTOR of the U.S., the world's leading producer of earth moving and construction equipment, cut its losses to $11m in the final quarter of last year after taking a $30m reorganisation charge to profits.

The loss figure compares with a deficit of $204m a year ago, and underlines the company's steady recovery as it benefits from higher volume, increased prices and substantial cost reductions. After heavy first half losses, however, and total restructuring charges of $112m during the year, the company ran up a net deficit in 1983 of $345m against $180m in 1982.

For the full year, sales also declined by $1.1bn to $5.4bn, but the group achieved a dramatic turnround in the final quarter, when turnover rose by 84 per cent from $960m to $1.77bn.

Caterpillar said yesterday that it expected results in the second half of the current year to be "markedly better" than in the first six months, which will suffer from the high rate of 1983 final quarter shipments designed to give dealers sufficient stocks to cope with the recovery in demand.

The company added that its financial position had been strengthened in 1983 by a $365m reduction in debt. This had been achieved by a fall in inventories, proceeds from its 5.3m share offer in May, and cuts in capital spending, which came down sharply last year from $534m in 1982 to $324m.

Italy to launch white goods reorganisation

By Alan Friedman in Milan

THE ITALIAN Government is to begin spending L360bn ($212m) from next month on a programme to reorganise Italy's consumer electronics industry.

The money, much of which will go to the troubled Zanussi home appliance group, can be disbursed because the European Community has dropped its objections to a new state-controlled financial company, Ristrutturazione Elettronica (Rel).

Rel was conceived two years ago as a company to be owned jointly by the Industry Ministry and the IRI state holding group. The purpose of Rel is to bring some order to the Italian consumer electronics manufacturing sector. Foreign suppliers have captured over half of this market.

The new state venture will provide capital and take equity stakes in Italian electronics companies and will also make loans at subsidised rates of interest.

Taiwanese stock prices soar to new peaks

By Robert King in Taipei

The Taiwan stock market index yesterday soared for the first time in its 23-year history past the 800 mark, continuing a sharp upward trend that began almost a year ago.

In reaching Thursday's closing average of 804, the index easily passed through what many had previously considered its psychological upper limit.

In less than 12 months, the index has climbed from a dismal 450 on the strength of investors' expectations of increased profits by the 109 companies listed on the exchange, and of a continuing increase in the money supply.

The announcement early last year that the government planned to revise regulations that would allow foreigners in direct access to the market through a mutual fund further fuelled the optimism.

The performance of the Taiwan market strongly reflects activity in the industrial sector. Unlike, say, the Hong Kong exchanges, the Taiwan exchange covers all sectors of industry and word of a pick-up in industrial activity spreads quickly. Thus Taiwanese investors were able to anticipate the broad economic recovery and to capitalise on increasing manufacturing profits.

By contrast, the market went through a difficult period in 1981 and 1982—a time when industrial activity and exports declined sharply.

The improved market performance begining last year has thus had parallels in industrial production, which in November was running 20 per cent higher than in the same month a year earlier, and in exports, which, again in November, were running 33 per cent over 1982 levels —a time when industrial activity and exports declined sharply.

The acceleration of the economy thus reflects confidence among investors that this year, and perhaps next year too, will be extremely kind to Taiwanese industry, which is highly dependent on exports. Their expectations are based on steadily increasing demand in the U.S., Taiwan's principal export market, and is reflected in the government's steadily more optimistic projections for growth in real GNP.

Profit taking

Many analysts, however, link the current market rally to the stock dividends due to be issued in March, as well as to general economic expectations. "They're buying shares now in expectation of goodies in a couple of months" says Mr Mark Mobius, director of Vickers da Costa's Taipei office.

In recent weeks, he adds, buying has shifted from blue chips to second line companies, reflecting increased profit-taking in blue chips and a shifting of those profits into shares now seen as bargains. Investors do not appear to favour one industrial sector over another: data supplied by the exchange covering 1983 shows similar rises in categories as diverse as textiles and cement.

The pick-up in trading comes in the midst of a thorough clean-up of what has been called "the jungle market." It is ironic that just as the index began its meteoric rise from the 450 mark around the beginning of last year, some supposedly sound listed companies began defaulting on loans totalling hundreds of millions of dollars.

Subsequent investigations turned up several instances of fraudulent financial statements, shoddy—and sometimes illegal — accounting practices, and questionable management control.

Despite these findings, local investors have continued to play and the first issuance of beneficiary certificates by the Taiwan (ROC) Fund totalling $41m, were snapped up by foreign investors within a few weeks.

Brierley wins control of Cascade

By Michael Thompson-Noel in Sydney

MR RON BRIERLEY'S Sydney-based investment group, Industrial Equity (IEL), yesterday gained control of Tasmania's Cascade Brewery—adding the Hobart brewer to a broadly-based portfolio of about 40 companies.

IEL is also currently bidding for an insurance group, APA Holdings.

Yesterday, IEL extended its entitlement to between 50 and 51 per cent of Cascade's share capital. Its final offer was A$5.75 (US$5.18) per Cascade share, valuing the brewer at A$47.7m (US$42.9m), though it is estimated that IEL's stake was acquired at an average of around A$5.25 per share, involving an outlay of some A$22m.

Earnings surge continues at Honda

BY YOKO SHIBATA IN TOKYO

HONDA MOTOR Company, the world's largest manufacturer of motorcycles and Japan's fifth largest car maker, improved consolidated earnings further in the third quarter ended November 30, 1983. Pre-tax profits rose to Y48.17bn ($206.7m) from Y37.73bn in the previous comparable period, on sales of Y520.64bn compared with Y510.69bn. Earnings per share were Y23.18, against Y21.58.

Consolidated net profits for the first nine months were 19.8 per cent higher at Y65.96bn on sales ahead 4.1 per cent at Y1,718.93bn. Profits per share advanced to Y72.11 from Y66.08 in the previous nine-month period.

The results cover 113 consolidated subsidiaries and 160 affiliated subsidiaries under equity methods.

In the nine months, Honda group companies sold 2.46m sets of motorcycles (down 6.5 per cent), with domestic sales of 1m units (down 16.2 per cent) and overseas sales of 1.466m sets (up 1.7 per cent). However, motorcycle value sales were down by 5.2 per cent to account for 22.1 per cent of total turnover.

Passenger car unit sales in the nine months totalled 809,000, with domestic sales of 380,000 units (up 3.6 per cent) and overseas sales of 520,000 units (down 3.9 per cent). However, passenger car value sales improved by 5.1 per cent, to account for 55.7 per cent of turnover, following efforts to shift sales stress to higher value-added cars.

As a result, domestic value sales were lifted by 10.3 per cent to account for 30.8 per cent of total turnover, and overseas value sales were 1.5 per cent higher to account for 69.2 per cent.

An improvement at Honda America, the U.S. subsidiary, made a significant contribution to group earnings. In particular, the introduction of the value-added car, the remodelled Prelude, boosted U.S. sales.

Production of the Accord in the U.S., which was exempted from Japan's voluntary export restriction of passenger cars to the U.S., also helped U.S. sales.

At the same time, the U.S. sales subsidiaries managed to reduce borrowings, and improved inventory adjustments of motorcycles, thus contributing to earnings.

Group earnings were also helped by European sales subsidiaries, which moved into the black thanks to the introduction of the remodelled Prelude.

The surge in expensive car sales improved cost to sales ratio by 0.4 percentage points to 65.9 per cent. The company also managed to cut interest payments by Y5.7bn to Y34.7bn reflecting repayment of loans at its overseas subsidiaries.

During the nine months, Honda's capital outlay was reduced to Y104.7bn from Y135.8bn in the previous year. However, the level of depreciation in the nine months was still high, at Y62bn against Y42bn.

Honda sees no reason why earnings should not improve further in the final quarter. It has increased production at its Ohio plant by adding the Accord hatchback from this month—in addition to the saloon—to bring total annual production to 150,000 units by the summer, from the present 55,000.

With further improvement of sales in the U.S. and Europe, Honda expects consolidated net profits to increase by 20 per cent for the current fiscal year ending February 28.

Shaw Brothers sells 70% of Malaysian operations

BY WONG SULONG IN KUALA LUMPUR

SHAW BROTHERS Organisation, the Hong Kong-based film moghul of south-east Asia, has sold off 70 per cent of its vast Malaysian operations in a deal worth 98m ringgit (U.S.$42m).

The buyers are two listed companies, United Estates Projects, a Malay-controlled property group, and Perlis Plantations, the sugar, property and hotel group controlled by the Kuok family.

UEP will issue 10.08m shares valued at 5 ringgit each for its 36 per cent stake in Shaw Brothers Malaysia, while Perlis will issue 8.65m shares valued at 5.5 ringgit each for its 34 per cent stake.

The deal values Shaw Brothers Malaysia at 140m ringgit, although its assets are thought to be worth as much as 210m ringgit.

Shaw Brothers has been under pressure for many years from Malaysian authorities to comply with the new economic policy and reduce its stake to 30 per cent.

Shaw has more than 100 cinemas in Malaysia (many on lease from private owners) as well as two big office buildings in Kuala Lumpur.

Indonesia takes steps to strengthen money market

BY KIERAN COOKE IN JAKARTA

INDONESIA'S central bank has taken steps to strengthen the country's money market by introducing Bank Indonesia certificates and providing discount window facilities.

The certificates will be sold to banks and non-bank financial institutions with one- and three-month maturities and will be available in 50m rupiah, 250m rupiah and 1bn rupiah ($1m) denominations. They will provide banks with an investment outlet for large quantities of short-term funds which have built up since a liberalisation of banking laws last year.

Bank Indonesia also hopes the development of a secondary market will be encouraged by allowing the certificates to be freely traded among banks and the public.

The decision on introducing discount window facilities is thought to have been spurred by recent devaluation rumours resulting in large rupiah withdrawals and a wildly fluctuating inter-bank rate.

Mr Arifin Siregar, governor of Bank of Indonesia, says the discount windows will provide temporary assistance with the central bank becoming a lender of last resort.

CD issue by Kuwait Asia Bank

BY MARY FRINGS IN BAHRAIN

KUWAIT ASIA BANK has mandated Kuwait International Investment Company (KIIC) to manage a US$ 40m issue of five-year floating rate certificates of deposit for the bank, to be completed by the end of February.

KIIC is a 9 per cent shareholder in Kuwait Asia Bank, which started operations as a Bahrain-registered offshore banking unit (OBU) in January 1982 and increased its paid-up capital from $30m to $100m in March last year.

The bank has a branch in Singapore and a joint-venture investment company in New Zealand.

The purpose of the FRCD issue is to give the bank longer-term funds for its activities, which are centred on the Asia-Pacific region, but there is an option to redeem after three years.

COMMODITIES AND AGRICULTURE

Kenyan tea: how the smallholder is tasting success

By Michael Holman, recently in Nairobi

IN A MUD and wattle hut just off a red dirt road which climbs into the green foothills of Kenya's Aberdare mountain range lives Daniel Gathura, a grizzled peasant farmer in his fifties, a father of eight, and a shareholder in the Kaamba tea factory with some sharp questions for the board about last year's dividends.

He plays a modest but important role in an encouraging exception to the generally gloomy record of African agriculture.

Mr Gathura and 145,000 fellow tea farmers are part of what has been described as the largest and most successful smallholder scheme in the world, competing with private estates dominated by household names in the business such as Britain's Brooke Bond.

By stressing accountability and participation (one in 10 farmers hold shares in their local factories) the Kenya Tea Development Authority (KTDA) has demonstrated over the past two decades that the combination of small farmers and a state-controlled agricultural institute can flourish.

From a negligible contribution in the early 1960s, the smallholders today grow one of the world's finest quality teas, providing over 35 per cent of Kenya's crop — the country's fourth largest foreign exchange earner after coffee, tourism and refined petroleum. Between them the authority's 33 factories are the largest single exporter of black tea in the world.

The growers and their families (some 1m people out of the country's 17m population) earn cash incomes well above the rural average, and at the same time grow food crops for subsistence.

Mr Simon Kamuyu, general manager of the KTDA, says: "We have no magic, no secret —we service the farmers, collect their crop, pay them on time, ultimately are accountable to them—and run our business on commercial lines."

It's an explanation for a success which may well provide some lessons for other African governments, battling to reverse the dramatic decline in agriculture since independence.

Two years ago the World Bank issued a devastating assessment of sub-Saharan Africa's economic predicament —the so-called Berg Report— accompanied by proposals for reform.

The critical sector, said the bank, is agriculture, on which at least three-quarters of the continent's people depend.

The record of the 1960s and 1970s was grim. Export crop production stagnated, food output fell and population soared.

War and drought, as well as adverse international economic conditions are in part to blame —together with the heritage of colonial times, when African cash crop agriculture was largely neglected or discouraged.

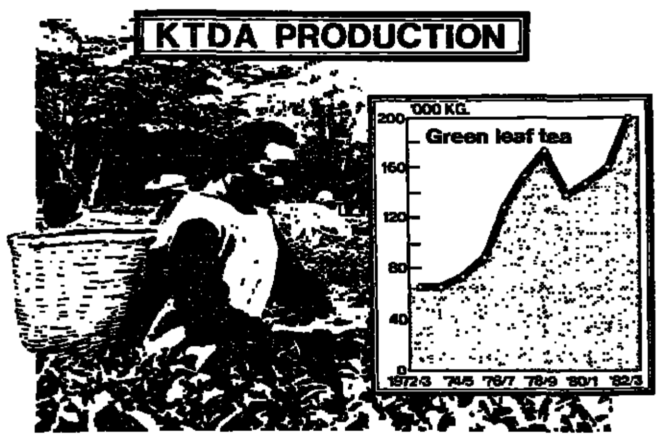
But a major responsibility lies with post-independence Governments themselves: insufficient attention to agriculture, irregular supplies of inputs, crop prices too low or taxes too high.

Above all, perhaps, has been the record of the pervasive state-controlled institutions which have dominated the sector.

Hardly a country is without a disaster story: cashew-nut growers in Tanzania, tobacco farmers in Zambia, coffee producers in Angola, cocoa production in Ghana. The responsible state-owned authority almost invariably becomes a swollen, bureaucratic, heavily subsidised drain on the economy, unresponsive to peasant needs.

It should be said that Kenya's own record with state-owned companies (parastatals) is far from satisfactory. In a particularly frank appraisal last year, a government White Paper singled out parastatal mismanagement as a major factor in the country's current economic difficulties.

How then has the KTDA emerged as a rare exception within Kenya itself, and Africa as a whole?



Part of the answer goes back to its inception. KTDA has its origins in the Special Crops Development Authority (SCDA), established in 1960 to encourage African grown tea and other crops.

Soon after independence, in January 1964, the Kenya Tea Development Authority was formed with sole responsibility for tea—from provision of the bushes to marketing the crop.

The Commonwealth Development Corporation has been the leading backer (over £17m), together with the World Bank. CDC provided the first of a succession of loans (including a factory construction programme) and seconded staff to provide the initial expertise. "Right from the start," says Richard Kemoli, the CDC representative of the KTDA board, "the authority was properly constructed."

The key elements, he believes, are its commercial principles; an accountability which begins with grower representation at the local level and rises to the board itself, where growers hold eight of the 15 places; and a highly competent extension service.

The board sits under a government-appointed chairman, and the Government and its agencies have provided around 20 per cent of the KTDA's loan financing of some K550m (£27.5m).

The outside agencies have, of course, been highly influential. The original CDC investment in 1960 contained a condition that there should be no export tax on tea for the duration of the loan's 20-year life.

Nevertheless, says CDC's East Africa regional controller, Mr Arthur Van Dorssen, "a critical feature in KTDA's success has been the attitude of government. It has been willing to allow the authority to operate as an autonomous institution, and it accepts that the surplus on sales belongs to the growers."

A second key factor, he says, is the authority's management record: "Any parastatal has to watch its overheads very carefully. KTDA has been determined to run on strict commercial principles."

In many African countries the relationship between grower and crop authority is distant, the link between world price and return to producer tenuous. But it is in this area that KTDA has its greatest strength.

For Mr Gathura it begins with the fact that there is a collecting centre barely half a mile away. All smallholders are within three miles of a centre.

His crop is weighed and collected without delay, and he gets paid promptly, each month. He knows that at the end of the growing season he will get a further cheque based on the quality of the tea and the world price (currently at its highest level ever in London).

Each of KTDA's 33 factories (there will be six more this year) is semi-autonomous. Mr Gathura's crop is processed at KDTA's local Kaamba plant.

The product of that individual factory, although marketed by KTDA, is readily identifiable on the floor. Should the factory's quality control be poor—or the leaves second rate—it will show up in the prices obtained.

There is a further element of involvement. Small holders are encouraged to become shareholders in their local factory, with a ceiling on purchases to ensure that ownership is not controlled by the better off planters.

About 15,000 of the 145,000 growers hold some 1.6m shares in the 16 factories so far incorporated as public companies, with dividends limited to 8 per cent until factory lo an obligations are repaid.

Mr Gathura owns 600 shares worth Ksh 3,000, which brought him an after tax dividend of some Ksh 200 last year.

Mr Gathura's two-acre plot (somewhat larger than average) is s hort of labour. Traditionally children have worked it, but as living standards rise and educational facilities increase, his children and those of other smallholders spend more time at school—and then seek jobs in the cities.

The rate of Ksh 10 a day Mr Gathura offers to casual workers is far from attractive. Why not pay more? "I will if prices stay high," he says.

His case illustrates Africa's growing problem of a labour shortage in the countryside, unemployment in the cities, exacerbated by Governments' failure to devote more resource to rural development.

There may be other problems to resolve. There is evidence that KTDA's commercial integrity is at some risk. The Government, facing considerable difficulty in meeting its recurrent spending obligations, is not fulfilling all its cash commitments to the authority.

KTDA autonomy may also be under some pressure, for the trend seems to be towards greater rather than lesser government involvement in parastatals, particularly in the selection of management.

Finally, nearly 15 per cent of KTDA output last year was sold on the domestic market at well below world prices—an effective consumer subsidy worth some Ksh58m, borne by the peasant grower.

THF jumps £25m and lifts dividend

UP £25M at £82.1m, pre-tax profits of Trusthouse Forte for the year to October 31 1983 prove the director's midterm confidence to be well founded.

The second six months at this hotels and catering concern represents an improvement from £45m to £58.4m and, with the directors reporting current year trading considerably ahead of last year, the final dividend is 6.25p net for a 8.25p (7p) total. A one-for-one scrip issue is also proposed.

All divisions contributed to the 1982-83 record result, with an especially good performance from hotels, particularly in London, and a recovery in the U.S. towards the end of the year.

An analysis of principal activities' trading profits shows: Hotels UK £50.7m (£41.7m), U.S. £12.5m (£8.8m) and Continental Europe and elsewhere £9.8m (£6.1m); catering UK £18.1m (£17.8m) and U.S. £0.4m (£0.3m loss); leisure nil (£4.2m); miscellaneous £2.4m (£2m) and property disposals £12.8m (£4m). Central costs took £3.2m (£3m).

Group sales pushed ahead from £915.4m to £1.01bn, while the costs thereon amounted to £877.2m (£803.6m). Gross trading profits were £134.8m (£111.8m). depreciation was £32.1m (£30.5m) and financial charges absorbed £20.6m (£24.2m).

With tax at £18m (£8m), earnings per 25p share rose from 12p to 15.9p. There were minorities of £2.1m (£2.3m) but no extraordinary debits compared with £1.7m last time. On a CCA basis profits before tax are given at £68.7m (£44.7m).

Ashley Ashwood

Family togetherness at Trusthouse Forte's Press conference yesterday. Lord Forte, chairman, is joined by son Rocco, joint chief executive, and daughter Mrs Olga Polizzi, newly appointed to the board.

The net value of shareholders' investment at October 31 1983 was £631m (£574m) and net group borrowings were £214.6m (£237.6m).

THF has agreed the sale of its lossmaking Colony Kitchens catering chain in the U.S. for a profit of $5-6m, Lord Forte, chairman, told a Press conference yesterday.

This profit more than makes up for the operating losses of $3-4m incurred over the five years or so that THF has owned Colony. Had the company remained with THF it would have probably made a small profit this year.

Colony was hit by the sharp petrol price rise of several years ago which reduced the takings of some of its outlying units. It is being sold to Denny's, a large U.S. fast food chain, for an undisclosed price.

"We received an offer which was too good to refuse," Lord Forte said. THF recently bought another small industrial catering company in the U.S., Eastern Foods, which it plans to merge with its other U.S. catering businesses.

Trading in the current year is 30 per cent up on 1982-83 with THF's UK hotels, principally those in London, providing good growth.

THF expects to dispose of hotels worth about £13m in the current year, the same as in 1982-83, as part of its continual review of its hotel chain.

The group recently signed 28 more contracts to provide hospital catering. It already claims to be the largest UK hotel catering contractor.

Lord Forte said there was no immediate prospect of THF buying any more shares in the Savoy Hotel following its recent purchase of a further 4 per cent stake. THF has a 69 per cent holding but owns only 42.3 per cent of the voting rights. THF has no interest in entering the bidding for the Gleneagles Hotel, he added.

See Lex

Maintained progress at Y. J. Lovell

PROGRESS has been maintained at Y. J. Lovell (Holdings) with full year profits showing a 21.6 per cent advance to a record £4.56m, compared with £3.75m.

In the 12 months to September 30 1983, turnover of this building contractor expanded by £15.98m to £169.59m. Last year's taxable profit was after associated companies losses of £123,000.

Profits at the interim stage were higher at £1.37m (£1.15m) on turnover of £71m (£67.34m).

The increase in full year profits was achieved on the back of good performances from residential development and general construction, better-than-expected results from commercial development, and a return to profit by the plant hire and timber divisions.

Following an increase in the interim dividend, the final payment is being lifted from 3.375p to 3.95p and raises the total payment by 15.6 per cent to 5.2p against 4.5p.

Looking ahead, the directors say that the current year has started satisfactorily, and they are of the opinion that the group is well placed for 1984.

Net profits for the year emerged at £3.89m (£3.21m) after tax of £663,000 (£538,000). Extraordinary debits accounted for £267,000 (£32,000), leaving an attributable balance of £3.63m (£3.18m).

Earnings were 22.6p (19.8p) per 25p share. Dividends, including preference payments of £1,000 (£14,000), will absorb £895,000 (£787,000) to leave a retained surplus of £2.73m (£2.39m).

On a CCA basis, pre-tax profits for the year were £4.37m

● comment

Whilst Y. J. Lovell's construction and housebuilding continue to grow steadily, the return to profits of the timber division has added an extra fillip to the pre-tax figure—and the shares which rose 10p to 172p yesterday. A general improvement in demand and margins in the timber industry, together with the completion of a rationalisation of the business which accounts for the £267,000 extraordinary item did the trick. Partnership housing, where Lovell is considered a market leader, continues to grow with 750 completions in 1983 and 900 expected in 1984. Private residential housing is also rising with the 850 completions in 1983 expected to rise to 1,100 in 1984. Total housing completions in 1983 were up a third on 1982. In the construction division, Lovell will retain an investment stake in the Gatwick Park Hospital which it is building and the £120m turnover in 1983 should be equalled in 1984. Land purchases pushed borrowings at the year end to £15.5m compared with shareholders' funds of around £40m which still leaves gearing comfortable at under 50 per cent. The total net dividend of 5.2p yields 4.4 per cent. An actual tax p/e of 7.4 is unjustifiably below the sector average.

Borthwick cautious about year's outcome

CAUTION ABOUT results for the current year was expressed by Thomas Borthwick and Sons, international meat trader, at yesterday's annual meeting.

However, the directors are still hopeful that profits will not be too dissimilar to last year's £3.8m. But, they stress, that with a slow start to the season in both Australia and New Zealand there must be "some caution" about anticipating the phasing of profit and the ultimate outcome.

The directors point out that wet weather in these two countries has provided plentiful pasture for livestock with a consequent delay in the flow of stock to processing works.

As a result, the works in New Zealand have been closed for longer than normal. The directors say that negotiations with unions on productivity improvement have continued and have given rise to some stoppages at Longburn during December and January.

However, all the company's works in New Zealand are now operating and should reach maximum capacity by February 1.

Commenting on Australian operations, the directors say that the season has also been late in Victoria and Western Australia. In general, livestock will be short this year throughout Australia and the meat processing industry can only expect a "slow recovery."

The Albany works in Western Australia were shut up until two weeks ago pending the result of a submission by the company to the Conciliation and Arbitration Commission seeking to revise wage awards.

The works have since reopened following an adjudication favourable to the company's submission.

In other operations the company has experienced a slower than anticipated recovery, from the low levels of summer activity, by Matthews (Butchers) in the UK and by Boucheries Bernard in France. However, overall results of the other UK divisions are progressing well.

Commissions up 24% at Allied Hambro

NEW BUSINESS of the Allied Hambro Group showed a 24 per cent jump in 1983, thanks to strong unit trust sales and a resurgence of new annual life premiums in the second half of the year.

Total new commissions, the measure used by the group for new business growth, amounted to £46.5m in 1983 against £37.5m in the previous year. Total funds under management rose during the year from £2.16bn to £2.85bn.

New initial commissions of Hambro Life, the group's main operating arm, rose by 19 per cent in 1983 from £36.7m to £43.8m. The company resumed its upward trend in new annual premiums in the second half of the year with a 21 per cent increase compared with 9 per cent in the first half. This resulted in a 15 per cent rise in new annual premiums in 1983 from £69.6m to £79.8m.

The successes for the company were its new Adaptable Whole Life plan with premiums of £18.1m—over 50 per cent more than 1982 sales of the previous policy—and its Adaptable Mortgage plan, which wrote £2.5m of annual premiums from its launch in April last year.

However, single premium sales slackened considerably in the second half, following good growth in the first. Overall, single premiums rose 22 per cent in 1983 from £132m to £161m.

Unit trust sales by Allied Unit Trusts nearly tripled from £35m to £102m, with the company participating fully in the boom in that area last year.

See Lex

Albany Life

Albany Life Assurance Company reports a successful year for new life and pensions business for 1983 with new annual premiums climbing 13 per cent from £11.53m to £13.01m and single premiums by 26 per cent from £56.38m to £71.2m.

Pensions last year accounted for only 42 per cent of total new annual premiums, the first time for several years that it has fallen below 50 per cent. This drop reflects the broadening of the company's product base in the life and investment areas.

Funds under management rose from £184m to £250m in 1983.

Atlantic Assets

Profits after tax increased from £107,000 to £208,000 at Atlantic Assets Trust for the six months to the end of 1983. Net asset value per 25p share moved up from 97.84p to 118.48p—they stood at 131p after prior charges at the end of the last full year.

The directors say that the company's 60.34 per cent interest in the Independent Investment Company is included at a net asset value of 309.88p (240.[illegible]p) per share.

Earnings per share came through at 0.14p (0.05p).

Franked income came to £191,000 (£407,000) and unfranked to £720,000 (£2.38m). Interest and expenses were down from £2.62m to £565,000.

Tax amounted to £138,000 (£72,000).

Isle of Man stock

The Isle of Man Government has authorised the issue on January 30 1984 of a tranche of £5m Isle of Man Government Registered Stock with a coupon of 10.5 per cent. Stock will be redeemable at par on January 30 1990.

Application lists will open on January 26 1984 and forms and prospectuses are available from today at Government Offices, Bucks Road, Douglas, Isle of Man, or at any branch of the Isle of Man bank.

Raeburn Investment

Net asset value per 25p share of Raeburn Investment Trust increased from 270.4p to 338.9p in the year to November 30 1983.

Despite the impact of higher interest charges, resulting from an increase in the foreign currency bank advances, earnings per share rose from 7.83p to 8.26p. The dividend total is higher at 8.4p (7.9p) net, with a final of 5.15p.

Net revenue moved ahead from £2.17m to £2.28m, after tax of £1.46m (£1.32m). Gross income improved by £0.53m to £4.46m.

McMullen & Sons

Pre-tax profits at McMullen and Sons, Hertford-based brewer, wine and spirit merchant, and soft drinks manufacturer, rose from £2.7m to £3.47m in the 53 weeks to October 1 1983. The total dividend of this "close" company is raised from 4p to 4.32p net with a final of 2.16p.

Group turnover was up from £18.9m to £21.44m. Profits on the sale of investments contributed £313,000 compared with £61,000. Tax took £1.6m (£1.34m), and there was an extraordinary credit of £65,000

LADBROKE INDEX

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Retail side gives Dixons first half boost to £7.6m

SHARPLY HIGHER returns from its retail division enabled the Dixons Group to record a £2.1m rise in first half pre-tax profits to £7.62m.

A "highly satisfactory" result is anticipated for the full year to end-April 1984.

Meanwhile, shareholders are to receive an increase in their interim dividend, which goes up from 1.45p to 1.6p net per 10p share on the enlarged share capital—a final of 2.64p was paid previously.

The retail sector performed particularly strongly over the opening 28 weeks and the group's ambitious expansion programme is continuing to produce impressive results.

Since last April, 18 new stores have been opened, enlarged or resited and a further eight major refits completed. In additions, the 16 shops acquired from UDS last September have been successfully converted into Dixons stores, where sales include photographic, audio and video equipment, colour televisions and home computers.

Trading over the important Christmas period was "excellent"—the directors have been encouraged by the success of the product diversification and by the reception given to the new Saisho brand.

Group sales for the six months expanded from £132.56m to £161.71m. A divisional breakdown of profits shows: retail £4.89m (£2.2m), processing £351,000 (£243,000), pharmaceutical £194,000 (£41,000), manufacturing £338,000 (£365,000), property £844,000 (£1.32m) and overseas £1m (£1.36m).

Tax charge rose from £784,000 to £1.06m.

Considerable progress was achieved by the processing division which saw a return to profitability—losses were incurred in the second half of last year.

The merger of Colortrend into the division is proceeding well, and the directors are confident that the £4m acquisition will greatly assist plans to strengthen the group's position in the highly-competitive photo-finishing industry.

The pharmaceutical division continued its steady improvement, although there has still not been any abatement of the pressure on margins.

Performance of the manufacturing companies was restrained by the imposition of import controls in some of their more important markets. Timing delays were principally behind lower results from the UK property division.

Overseas, profitability was affected by the fall in U.S. dollar interest rates, and by a further reduction in the scale of distribution activities.

The property developments are continuing on schedule.

The group was formerly known as Dixons Photographic. Pre-tax profits for 1982-83 totalled £14.03m.

See Lex

HIGHLIGHTS

Lex examines the equity market in the light of healthy three-quarter figures from the industrial and commercial companies sector. Trusthouse Forte announces a 44 per cent jump in pre-tax profits underpinned by a continuing boom in the London hotel trade and a strong performance from THF's U.S. hotel chain. Strong demand for camera and electrical goods has helped Dixons Group to a 38 per cent increase in pre-tax profits. From the insurance sector, Allied Hambro says there has been a welcome resumption in the growth of new business after two uninspired years.

Stewart Plastics rises 24% to £1.6m halfway

As predicted in its last *annual report*, Stewart Plastics has announced improved interim results for 1983-84. While turnover for the six months to October 31 rose by 7.85 per cent from £4.38m to £4.73m, pre-tax profits were 24 per cent higher at £1.61m, against £1.3m.

The directors say that turnover in both the homes and gardens and industrial divisions is continuing to improve. The company is engaged in the manufacture—by injection moulding—of plastic articles.

The net interim dividend is being lifted by 20 per cent from 0.6594p to 0.7913p per 25p share, costing £150,571 (£124,580) after waivers of £29,335 (£25,339).

At the trading level, profits increased from £964,862 to £1.28m, before including interest receivable of £268,709 (£326,289) and an unrealised capital gain of £62,853. Last year, there was also a £6,516 profit on the disposal of fixed assets.

Tax took £824,000 (£660,000) and attributable profits came out at £785,991, against £632,376 which was after £5,291 for the cost of issuing shares. The retained balance emerged ahead from £507,796 to £635,420.

CML coming to USM

SIMON & COATES plans to bring high technology company CML Microsystems to the USM with an offer for sale by tender of 25.7 per cent of its equity at the end of the month.

CML makes highly complex integrated circuits for the telecommunications, radio and data communications industries. Customers include such blue chips as GEC, Plessey, Motorola, Mitsubishi and Thomson-CSF.

Around 80 per cent of its £2.61m turnover in 1981 went overseas. Pre-tax profits of £404,000 in 1983 are expected to more than double in 1984.

The minimum tender price, still to be decided, will be modest to avoid the recent series of embarrassing flops, including VG Instruments and Cable & Wireless where much of the stock was left with the underwriters.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Country and New ...int.	0.4	Mrch 9	0.3	—	1
Dixons Group ....int.	1.6†	—	1.45	—	4.09
Eurotherm	2.25	—	2.25*	3.25	3.25*
Fleming Technology int.	0.8	Jan 23	0.8*	—	2.15*
Industrial Precision int.	1.86§	April 1	1.86	—	5.12
Y. J. Lovell	3.95	—	3.38	5.2	4.5
MME Facilities ......int.	0.53‡	Mrch 5	—	—	—
Oakwood Group	4.5	Mrch 2	4.5	6.5	6.5
Prop. Security ......int.	0.75	April 5	0.6*	—	1.8*
Raeburn Invst.	5.15	—	4.9	8.4	7.9
St Andrew Tst.	4.5	—	4.2	7	6.7
Stewart Plastics ......int.	0.79	Mrch 16	0.66	—	2.02
Trusthouse Forte	6.25	April 6	5.5	8.25	7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies.

Eagle's main reversionary rate held

Eagle Star Insurance Group has declared an unchanged reversionary bonus rate for 1983 on its life policies, namely £5 per cent of the sum assured and £6 per cent of attaching bonuses. The terminal bonus rate for claims in 1984 is improved from 40 per cent to 50 per cent of attaching bonuses.

The company is also paying an additional terminal bonus for life contracts that have been in force for more than 25 years of 1 per cent of attaching bonuses for each year in force beyond 25 up to a maximum of 20 per cent.

Both the reversionary and terminal bonus rates remain unchanged on self-employed and executive pension plans. The 1983 reversionary bonus rate is £5.50 per cent of the basic benefit and £6.50 per cent of attaching bonuses, while the terminal bonus rate for 1984 claims is 30 per cent of attaching bonuses.

However, a new additional terminal bonus will be paid on claims in force for more than five years of 2 per cent of attaching bonuses for each year in excess of 5 up to a maximum of 10 per cent.

The annual reversionary bonus rate on group pension policies is lifted 25p to £7.25 per cent compound, the terminal bonus being unchanged at 55 per cent of total benefits.

Property Security

Pre-tax profits rose from £922,000 to £1.38m at Property Security Investment Trust for the six months to the end of September 1983. The net interim dividend is effectively lifted from 0.6p to 0.75p, and a higher final equivalent to 1.5p is anticipated.

In the last full year a total equivalent to 1.8p was paid

Gross rental income for the six months moved up from £2.7m to £2.98m—the company is involved in property and share investment and dealing. Net property and investment income after administration expenses came to £3.06m (£2.84m).

Interest payments came to £1.68m (£1.92m).

No increase in bid terms for F. Miller

By Ray Maughan

Nottingham Manufacturing, the Marks & Spencer knitwear supplier, will not be improving its all equity offer for **F. Miller (Textiles)**. This is despite the search for better terms by Miller's former joint stockbroker, Greig Middleton and a less than enthusiastic response from Vickers da Costa, its remaining broker.

The bid reached its first closing date yesterday and Nottingham announced acceptances of 21.67 per cent of the ordinary shares. This includes an aggregate holding of 17.4 per cent pledged to Nottingham by the Miller board and family holdings.

The preference offer has been accepted in respect of 52.18 per cent.

Nottingham will now extend its offer for two weeks and will be bound by the City Code to its declaration that the terms will not be raised. However, given the rise in the overall stock market since the terms were first unveiled, in the first half of December, the value of the bid has improved in line with the gain in Nottingham's share price.

The terms remain one Nottingham share for every six Miller shares. At the outset, the offer was worth 35.6p per Miller share, taking Nottingham at 214p but the deal is now worth fractionally over 40p per share given that Nottingham is quoted at 242p after a 6p rise yesterday.

Greig Middleton, which resigned early in the campaign, has calculated assets at some 50p per share which, even allowing for a sudden and sharp downturn in Miller's trading conditions recently, allows no premium for control.

BAT Industries

BAT Industries has received acceptances for 130.19m (94.12 per cent) shares in respect of its offer for **Eagle Star**. The offer has become unconditional in all respects and remains open until further notice.

Applications for the loan stock alternative totalled £392.78m and exceeded the limit of £343.54m available for allocation. Accordingly, elections for loan stock received by January 18, and valid in all respects, will be scaled down to 87.5 per cent of stock applied for. Shareholders affected by the scaling down will receive the balance in cash. Elections to receive capital notes will be satisfied in full.

United Wire

Shareholders at the AGM of **United Wire Group** were told that first quarter results were encouraging and the current level of orders, if maintained, led the chairman to believe that the company should achieve a satisfactory result for the current year.

Smiths buys into Downs Surgical

BY RAY MAUGHAN

IN A DEAL which emphasises **Smiths Industries'** involvement in the medical products industry, the company has acquired a 13.9 per cent stake in **Downs Surgical** and has started negotiations to buy the rest of the equity.

The stake has come from Stewart Fund Managers for 32p per share, which means that the investment management group has missed yesterday's 7p rise to 38p. At this price, Downs is capitalised at £5.69m, compared with net worth of £7.1m in the March 1983 balance sheet.

As a result of withdrawing from supplying original equipment to the automobile industry, Smiths draws the great majority of its profits from the aerospace and medical sectors. More than one third of the total £31.4m trading profit in the year to July 1983 came from health care—principally in the U.S.

The market has been expecting a substantial acquisition by Smiths and, while Downs falls significantly short of that target, the proposed deal will add surgical instruments to its health care range.

Downs has had to make major changes, referred to by Mr R. J. Rimington, the chairman, in June 1983 to allay the disquiet of institutional shareholders and financial backers.

These included the dismissal of Mr Norman Shove, the former chairman, who was awarded £84,000 compensation, a substantial pruning of the product range and the transfer of production from the Tabard Works to the Braintree, Essex and Sheffield factories.

The effect has been to cut first half losses from £354,000 to £198,000, in spite of exceptional charges of £479,000.

KIO's Gleneagles tender finds no takers

BY DAVID DODWELL

The Kuwait Investment Office revealed yesterday that none of the other 16 institutional shareholders in Scotland's private **Gleneagles Hotel** group had taken up its 275p-a-share tender offer which, if taken up fully, would have boosted KIO's stake in Gleneagles to 26 per cent.

Gleneagles is currently fighting off a bid from Arthur Bell, the Scotch whisky distiller, which values the company at between £20.25m and £23.36m. The KIO tender offer aroused protest from Arthur Bell, both because it came at a critical stage in the bid battle, and because shareholders were given just two days to consider acceptance of the tender.

Mr Patrick Spens, a director of Henry Ansbacher, the merchant bank acting as financial advisor to Arthur Bell, said yesterday that he was "delighted that shareholders had not been stampeded by the offer."

A spokesman at Barclay's Merchant Bank, which mounted the tender on KIO's behalf, said yesterday that the Kuwaitis were "considering their options" after no-one had taken up the offer, which was for up to 990,000 shares. He said it was not going to be extended.

KIO has held a 15 per cent stake in Gleneagles since the group was formed in 1981 to take over from British Rail the prestigious Gleneagles Hotel in Perthshire, and two Edinburgh Hotels.

For Gleneagles, financial advisers Samuel Montagu said yesterday that the decision by shareholders to ignore the KIO offer vindicated the board's view that the Arthur Bell offer was too low.

Bell launched its offer after acquiring a 29.9 per cent stake in Gleneagles from British Transport Hotels. The terms are 173 new Bell shares for every 100 in Gleneagles—which at yesterday's share price of 150p, values every Gleneagles share at 259.5p, and the company at £23.36m. A cash alternative of 225p was offered, valuing the hotels group at £20.25m.

A spokesman at Samuel Montagu said rebuttal of the KIO offer indicated that shareholders "would require more than 275p for each of their shares," and added that the cash offer from Arthur Bell was "as dead as a dodo."

The Gleneagles defence document against the bid is due over the coming weekend. When the bid was first received, it was promptly rejected as "unexpected, unwelcome, and too low."

The bid battle takes place against the backdrop of controversy over the board's expansion plans—in particular to take a leasehold of London's Piccadilly Hotel, funding the development by means of a £9.7m rights issue.

Woolworth sells Edinburgh store for £10.7m

BY CHARLES BATCHELOR

Woolworth, the UK retailing group which is struggling to revamp its image, has sold its Princes Street, Edinburgh store to **Ladbroke**, the betting, hotels and property group, for £10.65m cash.

City & County plans to split the 145-foot Princes Street frontage vertically. Five separate shops will be installed with frontages of 25 to 35 feet and between 7,300 and 10,300 sq ft of trading area. Work is due to be completed by October 1984.

Ladbroke has a 75 per cent stake in City & County with the remaining shares held by Mr Arnold Hammond, its managing director and formerly senior partner of Hammond Phillips Borrett & Borrett, estate agents.

The Princes Street store is City & County's first major deal though it previously acquired properties in Leicester and Ilford.

This sale means Woolworth no longer has a store in central Edinburgh, though there are three or four in the suburbs. It described the five-storey 67,000 sq ft building as: "a whopper, which did not meet our criteria. Anything above two storeys is unpopular now."

The store employs 90 full-time and 60 part-time staff. It is not clear how many can be employed in other local stores.

The sale represents another stage of the disposal programme that Woolworth has been carrying out quietly over the past year. In that time half a dozen major stores have been sold.

The property has been bought by the City & Country Land Company, formed two months ago by Ladbroke to specialise in UK retail property. London & Leeds, another Ladbroke subsidiary, has long been involved in office and industrial property.

City & County said it had already received inquiries about the new stores. It foresees their use by men's or ladies' wear or footwear stores.

The Edinburgh store was one of 26 put on the market by the previous Woolworth management but following the takeover by the Paternoster consortium in October 182 those which were still unsold were taken off the market.

The current Woolworth management is making private sales of individual stores rather than flooding the market with a large number of stores, the company said.

Laporte buys three companies for £9.2m

IN DEALS worth £9.22m **Laporte Industries (Holdings)** has acquired three companies outside the UK which will materially strengthen the position of two of its rapidly developing business areas.

In one area, water treatment, it has purchased Great Lakes Biochemical Co, of Milwaukee, for a cash consideration of U.S.$6m. The company has a strong position in specialty chemicals for water treatment as well as an interest in biochemistry in the field of fermentation.

Over the 1982 year the U.S. company achieved pre-tax profits of $0.95m and at year-end its net tangible assets totalled $2.5m.

In the same business area Laporte has acquired French-based Union-Chimique et Industrielle de l'Quest, which has specialised in a novel and innovative system for the treatment of metals through which water passes, thus protecting the metal from corrosive and other attacks.

Laporte believes that this new system of treatment has considerable potential around the world, especially the U.S.

Initial consideration here was FFr 19m. The balance, FFr 5m, will bep aid in annual instalments over the next four years.

At December 31 1982 the company had net tangible assets of FFr 3m—pre-tax profits for the year amounted to FFr 2m.

In the building auxiliaries area Laporte has paid U.S.$4.2m cash for 80 per cent of Georgia-based Chemical Specialities, which is engaged in timber treatment.

The acquisition will extend Laporte's worldwide interest in what it describes an "important field."

The purchase follows Laporte's considerable success in the field of building auxiliaries with companies it has added recently, such as Sovereign Chemical Industries, Bio-Kil and Remedial Chemicals.

In 1983 Chemical Specialities had a sales revenue of some $15m.

Crown House

Crown House Engineering, a subsidiary of Crown House, has bought East Midland Instrument Erection from the receiver for £84,500.

In addition the remaining 20 per cent of the issued ordinary capital of Senior Secretaries has been acquired by **Crown House** from Wren Investment for £157,000. Crown House now owns the whole capital of Senior Secretaries.

Harris values Stylo too low for Ziff family acceptance

BY TERRY GARRETT

IN MAKING public its desire to buy **Stylo, Harris Queensway** is announcing what the stock market had known since the beginning of the month, ever since it bought a 5.1 per cent stake in the shoe retailer.

However, in naming a price which the controlling Ziff family will clearly not agree to, it is either trying to revive negotiations which have run into a deadlock or shake out the agreement of some members of the Ziff family.

Because of its share structure, Harris Queensway cannot hope to win control unless it has the backing of the Ziff family. There are six holders of management shares, all but one is active in the company, which gives them over 43 per cent of the votes. With holdings in the ordinary they control the company.

Yet Queensway may be tempted to launch a formal offer if it thought it could gain over 50 per cent of voting control. The company claims to have had some verbal support from ordinary shareholders and according to Philip Harris "we could get 80 per cent of the ordinary quite easily. We only need to break one (member of the Ziff family) and we could get control."

The attraction of Stylo to Harris is threefold according to deputy chairman Peter Davis. Shoe retailing is an area that the carpets and furniture retailer would like to diversify into, and it believes that it could apply its own expertise to develop and expand Stylo's traditional business. Both companies have a discount clothing chain, Harris' Poundstretcher is managed by former executives of Stylo's Pennywise operation.

Finally Harirs recognises Stylo's significant portfolio of prime High Street sites, and there could be some "swopping" between the two groups if Harris could win control.

In the last accounts, dated January 1983, Stylo's current cost asset value was put at 396.9 per share. Mr Harris claims that a 325p per share offer would be realistic because of possible capital gains tax liabilities and, he reminds shareholders, UDS went for 35 per cent below asset value.

Stylo's management disregards the offer as anything like realistic, saying that the asset value is out of date and that the chain of shops is worth a premium to asset value because of their prime sites.

Harris ripostes that its efforts to gain access to information about Stylo's property portfolio have been resisted and that it cannot make a proper valuation of the group other than looking at the company's own published balance sheet.

The Harris camp obviously wants to talk further and the unusual anneucement, posted yesterday, may be an attempt to "shame" Stylo's management into coming to the negotiating table for the sake of outside shareholders.

However, without the Ziff family's assent it is hard to see how Harris Queensway can hope to take control, and Stylo's management is unlikely to change the voting structure throwing away its own defences.

As Mr Arnold Ziff points out "We welcome Harris to the club but they can't change the rules once they join."

SHARE STAKES

S. R. Gent.—Mr L. P. Booth, Mr P. C. Craker and Mr S. M. Marks, directors, have sold 60,000, 60,000 and 20,900 ordinary shares respectively.

Lee Cooper.—Mr M. A. Cooper has disposed of 50,000 ordinary shares.

Rotork.—Mr J. J. Fry, a director, has sold 100,000 ordinary shares.

Polymark International.—Mr L. J. Weaver, a director, has sold 25,000 ordinary shares and purchased 6,000 "A" shares. Mr M. C. A. Holt, a director, joined the company with holding of 10,000 "A" shares and 10,000 ordinary shares.

Sumrite.—Buckmaster and Moore, on behalf of a Canadian broker, has purchased a total of 65,000 ordinary shares. Wincham Investments Ltd has disposed of 25,000 ordinary shares, reducing its holding to 8.94 per cent.

London Trust.—Britannia Arrow Holdings has 11.1m ordinary, representing 12.11 per cent of the class of share in issue.

Shires Investment—Atlanta Investment Trust on January 11 disposed of its entire holding of 374,750 ordinary shares.

BIDS AND DEALS IN BRIEF

The respective net asset values of **Atlanta Investment Trust** and **Construction Holdings** have been calculated in accordance with the formula set out in the offer document of November 30. As of December 23, net asset values are Construction Holdings 31.6p and Atlanta 141.1p.

On these figures, a holder of 100 old Construction Holdings shares will receive: cash £316; Atlanta ordinary shares 246.35; Atlanta preference shares 347.6.

The Atlanta figure takes into account the purchase of a 14.58 per cent stake in London Prudential Investment Trust, calculated at a market price of 184p on December 23. If this investment were recalculated on its present market value of 207.5p, the adjusted figure for Atlanta would be 148p per share.

* * *

The assets of **Wilkie & Paul** of Edinburgh, have been acquired from receivership by **Borden (UK)**.

Wilkie & Paul specialised in the manufacture of thermo-formed plastics products for the packaging industry and also produces Caltrex calendered rigid PVC film. It will join the rigid film group of Borden (UK) which also supplies thermo-formed products for packaging and related markets.

The product range will be handled at the UK headquarters of the rigid film group at Bridgwater, Somerset.

The Edinburgh factory will continue to operate and will be employing the majority of the employees of Wilkie & Paul.

* * *

Duncan Lawrie has signed a letter of intent with Hamilton Group of Ontario to provide additional finance to accelerate the growth of Hamilton's rental operations in Europe.

As a result Duncan Lawrie is arranging a consortium of investors to form a £4m European holding company based in London—Hamilton Group, which will be the largest shareholder, will exchange its existing rental operations in the UK, France and West Germany for cash and shares.

* * *

Promotions House has sold 13m ordinary shares in **Berkeley and Hay Hill**, which with non-discretionary investment clients of Statham Duff Stoop.

This reduces Promotions House Holding's in Berekeley and Hay Hill to 8.99m shares (31 per cent).

British Steel Corporation has entered into an agreement under which BSC Liaison Services has acquired for £200,000 cash the 20 per cent shareholding in Alloy Steel Rods previously held by **Arthur Lee and Sons**.

BOARD MEETINGS

TODAY

Interims: Davy Corporation, Andre De Brett, Gresham House, Haynes Publishing, Benjamin Priest, Williams Sommerville, J. W. Wassall.

FUTURE DATES

Interims—

Daejan	Jan 26
Hallite	Jan 27
McKay Securities	Jan 24
McLeod Russel	Jan 25
Saville (J.) Gordon	Jan 24

Finals—

Bullough	Jan 26
Fleming Fledgeling Inv. Trust	Jan 25
Gestetner	Jan 25
Miss World	Jan 28
Newmarket (1981)	Jan 26
Pratt (F.) Engineering	Jan 26
Lowe (Robert H.)	Jan 27
Widney	Jan 31

Based on bargains recorded in Stock Exchange Official List.

UK COMPANY NEWS

Eurotherm's better trend continuing

Eurotherm International, the electronic equipment concern, fared somewhat better in the second half of the year to October 31 1983, finishing the 12 months with pre-tax profits £370,000 lower at £4.21m after a £597,000 midterm decline to £1.65m. A "significantly improved" current year performance is also predicted by the directors.

At halfway they forecast that, on the back of increased orders, the second six months of 1983 would exceed the £2.3m achieved in the corresponding period of 1982. They now state that since the year end the improved trading conditions have persisted, with the group's order backlog at December 31 some 50 per cent higher than 12 months earlier.

In addition, Dr J. Leonard, chairman, says he remains convinced that the potential for the future, both in the group's more established companies and the majority of its new ventures, is excellent.

Sales for the period under review rose from £35.44m to £40.81m, with the UK contributing £17.25m (£15.8m) and overseas £23.56m (£19.64m).

Earnings per 10p share amounted to 9.51p (9.77p) and the total dividend is effectively held at 3.25p with a final payment of 2.25p net.

Operating profits turned in at £4.14m (£4.98m) and the pre-tax result included a £12,000 share of associate profits, a £97,000 gain (£7,060 loss) on the translation of foreign assets and liabilities, and interest received of £489,000 (£123,000). The result was after interest paid of £526,000 (£510,000) and subject to tax of £1.7m (£1.91m).

This left the net balance at £2.52m (£2.67m) and, following minority losses of £35,000 (£45,000 profit), available profits totalled £2.55m (£2.62m). From these, dividends took £876,000 (£831,000) with £1.67m (£1.79m) being retained.

Dr Leonard explained in his interim statement that the downturn in first half profits was partly attributable to increased investment in new activities at a time when economic conditions held sales in established businesses lower than had been anticipated.

He now says that for the most part these new ventures are progressing favourably. The recovery from recession throughout most of the group's markets, particularly in the U.S., should ensure a significantly improved performance in the current year.

Reviewing the performance of the group's divisions, Dr Leonard says those companies specialising in temperature control have contributed to increased sales, but profits were static. The UK company's sales were slightly down in 1982 and depressed orders from overseas affected manufacturing volumes and lowered profits. Eurotherm Corporation in the U.S. had a standstill year, but due to the strength of the dollar, profits in sterling terms were higher.

The Chessell product group had a mixed year. The UK company returned record sales and profits, while earnings declined in France and the U.S. and Germany incurred a loss. In the latter part of the 12 months, Chessell received the group's largest ever order and appears to have increased its share of the UK market, the chairman states.

T.C.S. again broke previous record for sales and profits in the UK and made significant inroads into the U.S. market. However, conditions in Germany meant the new company in that country made a much slower start than expected.

The downturn suffered by SSD in the early months of the year was followed by a sharp recovery in the second half and there are "excellent" prospects for the current year, with the order backlog very substantially up on the same period last year.

The multi-product companies, reports Dr Leonard, contributed substantially improved profits, with the performances in Italy and Switzerland being outstanding.

Of the new companies outside existing product groups, Unit-C has had an unexpectedly slow start and ETC had a poor year as oil price reductions made economy of consumption less necessary. Hero had a satisfactory 12 months. Robocom, in which the group has a 26 per cent interest, is growing very satisfactorily and the joint venture with Robocom in the U.S. is beginning to achieve sales of its CAD product.

Last September the group signed an agreement with Infoscribe Inc of the U.S. to manufacture and market printers for use as computer peripherals in Europe. The group is working on a range of printer products which will complement those obtainable from the U.S.

comment

Eurotherm is steadily emerging from the rough waters which pitched it off balance in the first half. The problem was mainly timing: spending on new ventures was running £675,000 ahead of the previous year when demand for the group's industrial customers was flagging, with the result that full year profits were 8 per cent down. The situation has been improving and the order backlog is now more than 50 per cent ahead at £9.5m, but the experience only highlights the extent of Eurotherm's dependnece on cyclical industries. It is certainly trying to increase its presence in growth areas, notably with the Robocom investment in computer aided design, although it must be some time before there is a profound change in the group's profile. The current year is beginning to look like a mirror image of the past, with a decrease in new venture spending accompanied by an upturn in demand across the board pointing to a final out-turn of perhaps £5.8m pre-tax. At yesterday's price of 265p, unchanged, the shares stand on a prospective multiple of 20.6 assuming a 41 per cent tax charge. That is a more realistic rating than in recent months, but still seems demanding for a cyclical investment.

MINING NEWS

Good dividends by Anglo gold mines

BY GEORGE MILLING-STANLEY

THE LATEST final dividends from the Transvaal gold mines in South Africa's Anglo American Corporation group are encouraging, especially as they relate to a period in which the U.S. gold price has been deteriorating steadily.

Vaal Reefs provided the outstanding payment with 610 cents (345p), well above the stock market's best expectations. This compares with the previous year's final of 600 cents, and makes a total for 1983 of 1,165 cents against 1982's 950 cents.

The young **Elandsrand's** final of 20 cents and the 20-cent payment from **South African Lands** ("Sallies") were also more than the market had hoped for, while the declarations from **Southvaal** and **Western Deep Levels** were both in line with expectations.

The latest dividends are compared in the accompanying table.

	Jan 1984 cents	July 1983 cents	Jan 1983 cents	July 1982 cents
Elandsrand	20	*20	15	Nil
SA Lands	20	*10	40	*10
Southvaal	180	*215	210	*120
Vaal Reefs	610	*555	600	*350
Western Deep	215	*210	260	*125

* Interim

Anglo's Transvaal mines put up quite a good performance in the December quarter, with improved profits from Vaal Reefs, Western Deeps and Sallies, but the group's four mines in the Orange Free State generally had a disappointing three months, with lower profits throughout.

The shorter working period was reflected in lower milling rates at all the mines with the exception of the small Sallies operation, and the effects of this on the companies' results were not offset by any rise in the gold grades.

Gold prices were generally lower, although the effects of this were mitigated by the continued depreciation of the South African rand against the U.S. dollar, so that rand receipts were only barely reduced.

The gold prices received in both currencies are compared in the accompanying table.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce)

	Qtr ended Dec 31	Qtr ended Sept 30
ERGO	R14,641 ($402)	R14,858 ($420)
Elandsrand	R14,724 ($394)	R14,965 ($420)
Free S Geduld	R14,627 ($384)	R14,913 ($419)
President Brand	R14,764 ($385)	R14,980 ($419)
President Steyn	R14,764 ($386)	R14,835 ($419)
S A Land	R14,580 ($382)	R14,850 ($419)
Vaal Reefs	R14,606 ($383)	R14,937 ($420)
Western Deep	R14,766 ($392)	R14,924 ($419)
Western Hldgs	R14,795 ($386)	R14,953 ($421)

The effects of the lower milling rate at the big Vaal Reefs complex were exaggerated by the fact that the mine reduced its offtake of ore from the richer South and North Leases areas, drawing more supplies from the lower-grade Afrikaander Lease area.

The reduced throughput and broadly unchanged gold grades combined to increase working costs, with the result that operating profits were mostly a little lower.

Vaal Reefs and Western Deeps managed to reduce their tax liability by boosting allowable capital spending, which in both cases contributed to the increased net profits.

Vaal Reefs benefited additionally from dividends totalling R11.7m (£6.6m) paid by Southvaal Holdings, which owns the South Lease area, and the payment of a lower royalty to Southvaal consequent on the reduced extraction of ore from the area.

Beyond that, Vaal Reefs made a profit of R26.79m from sales of uranium oxide, compared with just R9.5m in the September quarter.

The decline in throughput at Elandsrand was caused by an accident, in which a steel girder fell down a ventilation shaft. A total of nine hoisting days were lot while the girder was retrieved.

Free State Geduld has also suffered a serious accident, but this occurred after the end of the period. A big fire has meant that a whole section of the mine has had to be sealed off, and it is estimated that some 38,000 tonnes of ore will now not be able to be mined.

The latest quarterly profits are compared in the accompanying table.

	Dec qtr R000	Sept qtr R000	June qtr R000
ERGO	15,683	[illegible]	14,674
Elandsrand	16,250	[illegible]	22,024
FS Geduld	21,610	[illegible]	27,[illegible]
Pres. Brand	29,368	[illegible]	[illegible]
Pres. Steyn	22,[illegible]	[illegible]	25,[illegible]
S A Land	7,135	[illegible]	[illegible]
Vaal Reefs	175,129	[illegible]	[illegible]
W. Deep	74,556	[illegible]	57,425
W. Holdings	23,775	[illegible]	48,942

The Transvaal mines also reported full-year profits, and overall these were good, in line with the year-on-year improvement in the gold price.

Vaal Reefs achieved record production for the industry with 80 tonnes produced in the year, six tonnes higher than forecast. Net profits improved to R352.1m from 1982's R307.6m.

Western Deep Levels was able to shrug off the effects of a fire in November and still managed to exceed forecast production. Net profits rose to R243.4m from the previous year's R206.2m.

Elandsrand achieved its forecast output and returned net profits of R80m, against R48m previously, while Sallies was hit by tax after a good year and showed net profits of R4.9m, down from 1982's R5.7m.

Southvaal's net profits improved to R102.9m from R68.15m.

Placer's big Australian gold-silver mine to be producing by end-1985

CANADA'S **Placer Development** has decided to take to production its big Australian gold and silver property at Kidston in north-east Queensland. The low-grade open-pit mine is scheduled to come on stream before the end of 1985 at a total cost of some A$170m (£108m). Financing has still to be arranged.

Measured and indicated ore reserves are now put at 42.5m tonnes grading 0.05 oz (1.56 grammes) gold and 0.06 oz silver per tonne. In an extension of the main zone there are additional indicated and inferred reserves of 18.7m tonnes.

Projected annual production in the first five years of operation will average 193,200 oz gold and 132,000 oz silver. The concentrator will have a design capacity of 8,300 short tonnes per day, but daily throughput in the first year is expected to average 13,000 tones because of the processing of oxide ore.

Under Australian foreign investment requirements, Placer must sel to Australians 45 per cent of the venture, **Kidston Gold Mines**. So far, a 20 per cent stake has been sold to Australia's **Elders IXL** and this should provide a gain of C$22.5m in Placer's results for the fourth quarter of 1983.

The second phase of divestiture will be through an offering of 25 per cent of Kidston shares to be made by the end of this year.

Impala sacks refinery men

THE **Gencor** group's **Impala Platinum Holdings** states that on January 12 the entire black work force of some 1,400 men at the company's refineries in Springs, south-east of Johannesburg, refused to report for work in protest at the dismissal of seven of their number.

This, it is stated, constituted an illegal strike because the men did not follow the statutory procedures for the resolution of disputes. In subsequent discussions other matters were raised and the management made an offer which included an invitation to the dismissed employees to make representations.

The offer was dependent on the work force first returning. It was rejected by worker representatives as was a subsequent ultimatum to return to work or risk dismissal. Impala adds that all the strikers were then dismissed and steps are being taken to replace them.

The disruption, it is stated, will not affect the company's ability to meet its contractual commitments to customers.

Greenwich Resources sees potential gold mining operation in the Sudan

"THE indications are that there is a mine there, the size of which is not certain," said Mr Stanley Eskell yesterday, managing director of **Greenwich Resources**. He was referring to the latest report on the Vancouver-based company's gold exploration programme in the Sudan.

This was provided by **Robertson Research International**, the UK mining and oil consultancy group which holds 15 per cent of Greenwich Resources.

It says that of a large number of deposits located with good gold values, the area of the old Gebeit mine in the Red Sea Hills holds the prospect of a commercial operation and a larger one than was first contemplated.

Following the drilling of 41 holes, stratabound gold mineralisation has been discovered at relatively shallow depth over an area of 800 metres by 200 metres which is open on all sides.

In the western end of the zone, two flat lying lodes have been located. The lower one, at depths between 15m to 65m, contains mineralisation ranging from 1m to 3m in width (thickness).

It is so far estimated to hold reserves of 150,000 tonnes in two zones. Of these, one holds 100,000 tonnes averaging 12.2 grammes gold per tonne while the other has 50,000 tonnes averaging 9.5g.

In the upper lode, average gold grades of 8.3g have been found with some values ranging up to as much as 35.4g. Further exploration will be needed before any ore reserve estimates can be made. Meanwhile, an underground drive is to be put into the lower lode in order to obtain bulk samples and detailed geological data.

COMPANY NEWS

Reorganised Cronite trades profitably in first two months

THE FIRST two months of the current year at Cronite Group saw all its operating subsidiaries trading profitably after bank and debenture interest, says Mr David Pinsent who took over as chairman last October and will relinquish the post to Mr Tom Honess after the AGM in February.

Mr Pinsent reports that group is operating within its existing bank facilities and enjoys the support of its bankers and institutional debenture stockholders.

He warns that the balance sheet is highly geared, thus small movements at the gross level are greatly magnified at the pre-tax profit level, but nevertheless believes the right steps are being taken to put the group back into profits and this would provide a base to refinance in due course.

As a result of a reorganisation the group will now revolve around three main operating subsidiaries, alloys, castings and steels. The board made what it believed to be adequate provision for the completion of this programme in the accounts to September 30 1983, when increased pre-tax losses of £1.23m (£80,000) were incurred.

At the balance sheet date, net assets had slumped from £2.15m to £217,000, fixed assets were lower at £1.37m (£1.89m) and net current assets showed a fall from £1.69m to £225,000. A statement of source and application of funds shows an increase in net bank overdrafts of £731,000 (£545,000 decrease) and a decrease in working capital of £615,000 (£371,000 increase).

The group's auditors point out that as a result of losses, certain loan covenants were breached during the year, but steps have subsequently been taken to secure the continued availability of bank and loan facilities. Despite the severity of the losses, the accounts have been drawn up on a going concern basis, on the assumption that the group will be able to operate within its bank and loan facilities.

The directors say this is currently the case. If the group was not able to continue as a going concern, say the auditors, adjustments would be needed to the carrying value and classification of recorded asset amounts and to the classification of recorded liabilities which might arise in those circumstances. Subject to this qualification they have passed the accounts.

The AGM of the group will be held at the Connaught Rooms, Great Queen Street, WC, on February 15 at noon where approval will be sought to approve an ex-gratia payment to Mr K. F. Ward, a former chairman, of £47,500 which includes the transfer to him of a motor car.

Lower level of premiums affects Windsor Securities

LIKE most other international insurance and reinsurance brokers, the business at Windsor Securities (Holdings) has been adversely affected by the continued depressed level of premiums in the worldwide insurance industry, says Mr W. M. L. Fullerton, the chairman, in his annual statement.

Because of poor underwriting results arising from inadequate primary rates and high operating costs, he says it has become increasingly difficult to place reinsurance treaties on a proportional basis with the standard of security he regards as acceptable.

He believes, however, that it will not be long before premium rates at both primary and reinsurance stages are increased to reflect adequately the risks undertaken and costs incurred. When this happens, it will have a beneficial effect on the company's brokerage income.

As the company holds large cash balances, he says shareholders will understand that prevailing levels of interest rates obtainable on sterling and dollar deposits can have a significant effect on ultimate profitability. In the absence of unforeseen circumstances, he says it is hoped that profits can at least be maintained in respect of the current financial year.

In the year to September 30 1983 pre-tax profits increased from £255,000 to £266,000, and after tax profits increased from £192,000 to £297,000.

Mr Fullerton points out that, during the year, the major litigation and other related matters, which had been hampering the group's ability to expand into new markets and improve its existing businesses, were resolved to the satisfaction of the group. Following this, on July 21 1983 the name of the company was changed from Brentnall Beard (Holdings) to Windsor Securities (Holdings).

The company's annual report mentions that there are contingent liabilities under actions pending. The aggregate amount of these is unspecified, although the amount of certain claims is known. Based upon legal advice, the directors believe that they have a good defence to these actions, and the possibility of any material liability is "remote."

On December 19 1980 an action was commenced by Brentnall Beard Holdings and Brentnall Beard (Canada), together with CFW Investments Corporation, in the Superior Court in Quebec, Montreal, against Robert Bradford of Canada Limited, whose ultimate holding company is Minster Assets, a company registered in the UK, with regard to a contract entered into by the various parties on August 21 1980. In this, Robert Bradford of Canada agreed to take over the operations of Deslauriers Wilkin and Associates Inc, from September 1 1980.

The amount claimed is C$760,000 (£430,000) damages, plus expenses incurred by Deslauriers Wilkin on account of Robert Bradford since September 1 1980. Expenses at the date of commencement of action totalled C$88,797. Deslauriers Wilkin has also been joined as a party to this action. No account has been taken of any possible recoveries.

Apart from the above, the directors of Windsor Securities are not aware that there is any material litigation or claim of material importance pending, or threatened against the company or any of its subsidiaries.

MME ahead to £120,000

TAXABLE PROFITS of MME Facilities increased to £120,000 for the six months to December 31 1983, compared with £82,000. The company joined the Unlisted Securities Market in December.

The first interim dividend per 10p share is 0.525p net. Mr Peter Chin, director, says that, on current levels of business, a final payment is expected of 0.875p. In the prospectus, the directors expressed their intention to recommend a final dividend of 0.7p, subject to achieving pre-tax profits for the year of not less than £300,000.

The company carries out post-production work for television contractors, record producers, advertising agencies and others, involving editing of video tape. On January 10, its travel subsidiary was merged with Sunvil Travel and its assets sold for the £70,000 book value. Mr Chin says profits will not be affected by the sale.

Group sales for the first half rose to £566,000, against £442,000, giving a trading profit of £244,000 (£180,000). Interest took £40,000 (£26,000) and the depreciation charge was £84,000 (£72,000).

There was again no tax and dividends absorbed £69,000, leaving a transfer to reserves of £51,000 (£82,000).

BANK RETURN

	Wednesday January 18 1984	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	44,630,470	+ 1,954,209
Bankers Deposits	610,550,373	— 185,639,455
Reserve and other Accounts	1,307,306,926	— 37,575,705
	1,977,040,769	— 221,260,951
Assets		
Government Securities	454,628,485	— 90,005,000
Advance & other Accounts	682,214,414	+ 60,301,728
Premises Equipment & other Secs.	833,455,919	— 187,917,242
Notes	6,567,801	— 3,657,234
Coin	174,150	+ 16,797
	1,977,040,769	— 221,260,951
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,370,000,000	— 140,000,000
In circulation	11,363,432,199	— 136,342,766
In Banking Department	6,567,801	— 3,657,234
Assets		
Government Debt	11,015,100	—
Other Government Securities	2,149,908,940	— 277,880,552
Other Securities	9,209,081,960	+ 137,880,552
	11,370,000,000	— 140,000,000

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the Directors for the quarter ended December 31 1983

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 14 334 376 shares of 50 cents each

	Quarter ended Dec. 1983	Quarter ended Sept. 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	369	380	1 470
Tons milled 000	2 241	2 299	8 995
Yield—g/t	4.25	4.33	4.48
Production—kg	9 514	9 949	40 324
Cost—R/m² mined	266.76	266.37	253.91
—R/ton milled	43.92	44.03	41.49
—R/kg produced	10 346	10 174	9 256
JMS			
(See summary)			
Slimes delivered			
Tons 000	1 214	1 251	5 234
Head grade			
uranium—kg/t	0.10	0.09	0.10
sulphur—per cent	0.85	0.81	0.88
gold—g/t	0.46	0.41	0.43
PRICE RECEIVED ON SALES			
Gold—R/kg	14 705	14 953	15 369
—$/oz	388	421	435
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	138 952	149 405	619 417
—costs	98 434	101 220	373 245
—profit	40 518	48 185	246 172
JMS profit	1 106	1 548	6 494
Net sundry income	5 493	4 504	23 416
Profit before taxation and State's share of profit	47 117	54 237	276 082
Provision for taxation and State's share of profit	17 342	(8 779)	100 531
Profit after taxation and State's share of profit	29 775	63 016	175 551
Deduct:			
Appropriation for Capital expenditure			77 671
Dividend—interim			50 887
—final			46 587
Retained profit for the year			406
Capital expenditure			
—Total	13 766	57 554	99 631
—Erfdeel Division	10 306	40 458	67 628
Loan from Eastern Gold Holdings Limited—balance	53 639	51.130	51 130
SHAFT SINKING—ERFDEEL DIVISION	metres	metres	metres
No. 1 Ventilation shaft			
Advance	122	1 65	659
Depth to date	2 007	1 885	1 885
Station cutting	56	60	191
Main pump station cutting	—	—	526

The Leader reef was intersected at a depth of 1 945 metres below collar. Twelve sampled sections gave average values of 247 cm.g/t gold and 14.78 cm.kg/t uranium over a sampled width of 99 cm.

The Basal reef was intersected at a depth of 1 955 metres below collar. Thirteen sampled sections gave average values of 670 cm.g/t gold and 17.33 cm.kg/t uranium over a sampled width of 30 cm.

These results are in line with those projected from previous borehole intersections used in the original evaluation of the area.

No 1 main shaft Advance	297	383	1 147
Depth to date	1 500	1 203	1 203
Station cutting	156	41	54

DEVELOPMENT

	Advance	Sampled					
	metres	metres	channel width	gold		uranium	
			cm	g/t	cm.g/t	kg/t	cm.kg/t
HOLDINGS DIVISION							
Basal reef Quarter ended December 1983	6 048	636	27.2	68.09	1 852	0.44	11.98
Quarter ended September 1983	6 816	684	23.8	107.31	2 554	0.63	15.11
Year ended September 1983	26 743	2 872	25.8	69.81	1 801	0.46	11.97
Leader reef Quarter ended December 1983	3 110	1 400	137.7	2.81	387	0.10	13.60
Quarter ended September 1983	2 788	1 150	114.2	4.19	478	0.12	13.99
Year ended September 1983	10 514	4 290	125.7	4.00	503	0.13	16.12
WELKOM DIVISION							
Basal reef Quarter ended December 1983	3 230	148	19.0	43.47	826	0.76	14.36
Quarter ended September 1983	2 914	422	13.7	52.55	720	1.13	15.47
Year ended September 1983	11 266	2 098	15.8	42.59	673	1.04	16.39

"A" reef

During the quarter ended December 1983. 56 metres were advanced (Quarter and year ended September 1983: 54 metres). There were no sampling results.

Leader reef Quarter ended December 1983	987	558	87.6	7.10	622	0.34	29.38
Quarter ended September 1983	1 108	654	78.7	4.69	369	0.28	21.78
Year ended September 1983	4 730	3 070	110.6	4.20	464	0.24	27.06
SAAIPLAAS DIVISION							
Basal reef Quarter ended December 1983	6 832	810	61.5	17.45	1 073	0.41	25.33
Quarter ended September 1983	6 668	992	54.4	22.21	1 208	0.48	26.37
Year ended September 1983	25 496	3 476	62.2	15.39	957	0.36	22.39

"A" reef

During the quarter ended December 1983 there was no development on this reef.

Quarter and year ended September 1983	8	8	61.8	18.45	1 140	0.73	45.21
"B" reef Quarter ended December 1983	73	78	187.6	7.60	1 426	0.12	22.41
Quarter and year ended September 1983	32	22	195.1	28.47	5 555	0.23	44.12

Leader reef

During the quarter ended December 1983 there was no development on this reef (September 1983: 5 metres were advanced: year ended September 1983: 252 metres. There were no sampling results).

ERFDEEL DIVISION

Basal reef

During the quarter ended December 1983. 1 309 metres were advanced (September 1983: 972 metres; year ended September 1983: 1 399 metres). There were no sampling results.

DIVIDENDS

The final dividend of 325 cents a share in respect of the year ended September 1983 was declared on October 20 1983 payable to members registered on November 11 1983 and was paid on December 15 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983:
Holdings, Welkom and Saaiplaas divisions .... R 4 495 000
Erfdeel Division R48 434 000

For and on behalf of the board
E. P. GUSH } Directors
G. S. YOUNG }

January 20 1984

WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of WESTERN HOLDINGS LIMITED.

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

	Quarter ended Dec 1983	Quarter ended Sept 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	218	224	781
Tons milled—000	1 018	1 075	3 849
Yield—g/t	6.50	6.51	7.00
Production—kg	6 617	7 003	26 949
Cost—R/m² mined	340.46	318.22	330.57
—R/ton milled	72.39	66.21	67.06
—R/kg produced	11 137	10 164	9 578
JMS			
(See summary)			
Slimes delivered			
Tons 000	700	752	2 744
Head grade			
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	0.98	0.96	0.99
gold—g/t	0.45	0.52	0.53
PRICE RECEIVED ON SALES			
Gold—R/kg	14 627	14 913	15 429
—$/oz	384	419	436
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	95 307	104 951	415 456
—costs	73 694	71 173	258 103
—profit	21 613	33 778	157 348
JMS profit	794	1 402	5 684
Net sundry income	3 267	3 200	14 146
Profit before taxation and State's share of profit	25 674	38 380	177 178
Provision for taxation and State's share of profit	4 064	5 637	60 823
Profit after taxation and State's share of profit	21 610	32 743	116 355
Deduct:			
Appropriation for capital expenditure			68 656
Dividend—interim			25 056
—final			22 446
Retained profit for the year			197
Capital expenditure	12 806	24 810	68 790

DEVELOPMENT

	Advance	Sampled					
	metres	metres	channel width	gold		uranium	
			cm	g/t	cm.g/t	kg/t	cm.kg/t
Basal reef Quarter ended December 1983	19 691	1 718	74.7	15.22	1 137	0.14	10.83
Quarter ended September 1983	21 081	1 694	89.9	13.03	1 171	0.14	12.64
Year ended September 1983	79 990	6 008	90.9	13.04	1 185	0.14	12.55
Leader reef Quarter ended December 1983	759	294	129.3	3.98	514	0.18	23.91
Quarter ended September 1983	579	172	163.6	3.53	577	0.14	22.89
Year ended September 1983	1 614	682	150.3	2.90	436	0.12	18.75
"A" reef Quarter ended December 1983	886	236	98.6	7.79	768	0.20	19.25
Quarter ended September 1983	658	220	86.7	4.42	383	0.14	12.49
Year ended September 1983	2 575	504	78.2	5.95	465	0.16	12.59
"B" reef Quarter ended December 1983	459	102	114.0	1.53	221	0.05	6.60
Quarter ended September 1983	871	158	128.6	4.60	592	0.05	6.03
Year ended September 1983	4 171	1 142	144.1	3.00	432	0.04	5.50
Elsburg reef Quarter ended December 1983	24	12	245.0	0.56	137	0.02	4.30
Quarter ended September 1983	39	12	140.0	1.95	273	0.02	2.10
Year ended September 1983	277	62	165.2	0.70	116	0.01	1.77

The development reported includes development by the company in the area under tribute from Free State Development and Investment Corporation Limited.

DIVIDEND

The final dividend of 215 cents a share in respect of the year ended September 30 1983 was declared on October 20 1983 payable to members registered on November 11 1983 and was paid on December 15 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R5 776 000.

UNDERGROUND FIRE AT NO. 2 SHAFT

On January 2 1984 a fire broke out in a stope on 53 level in the eastern section of No. 2 shaft. Attempts to extinguish the fire were unsuccessful and the area was subsequently sealed off. No one was injured in the fire.

The labour force from the affected area has been re-deployed and it is currently estimated that the production loss will be in the order of 50 000 tons.

For and on behalf of the board
E. P. GUSH } Directors
G. S. YOUNG }

January 20, 1984.

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Dec 1983	Quarter ended Sept 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	168	167	650
Tons milled—000	877	886	3 505
Yield—g/t	6.58	6.78	6.87
Production—kg	5 770	6 009	24 081
Cost—R/m² mined	290.25	279.91	274.56
—R/ton milled	55.60	52.76	50.92
—R/kg produced	8 451	7 779	7 411
JMS			
(See summary)			
Slimes delivered			
Tons 000	2 152	906	3 130
Head grade			
uranium—kg/t	0.11	0.12	0.12
sulphur—per cent	0.87	0.92	0.93
gold g/t	0.66	0.77	0.77
PRICE RECEIVED ON SALES			
Gold—R/kg	14 784	14 886	15 485
—$/oz	388	419	436
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	84 373	89 105	372 940
—costs	48 762	46 745	178 467
—profit	35 611	42 360	194 473
JMS profit	7 255	7 135	23 822
Net sundry income	717	2 183	7 373
Dividend from Welkom Gold Mining Company Limited	—	5 905	12 302
Profit before taxation and State's share of profit	43 583	57 583	237 970
Provision for taxation and State's share of profit	14 215	13 774	98 446
Profit after taxation and State's share of profit	29 368	43 809	139 524
Deduct:			
Appropriation for capital expenditure			67 621
Dividend—interim			40 716
—final			30 888
Retained profit for the year			299
Capital expenditure	16 460	30 391	64 724
SHAFT SINKING			
No. 5 shaft	metres	metres	metres
Advance	94	47	441
Depth to date	1 739	1 645	1 645
Station cutting	430	14	1 056
No. 1A shaft			
Advance	377	327	425
Depth to date	792	425	425

DEVELOPMENT

	Advance	Sampled					
	metres	metres	channel width	gold		uranium	
			cm	g/t	cm.g/t	kg/t	cm.kg/t
Basal reef Quarter ended December 1983	7 282	694	80.4	24.15	1 942	0.16	12.73
Quarter ended September 1983	6 980	534	45.8	44.59	2 042	0.27	12.28
Year ended September 1983	27 605	2 682	67.1	28.96	1 943	0.16	10.98
Leader reef Quarter ended December 1983	3 295	1 094	130.0	3.58	466	0.10	13.40
Quarter ended September 1983	2 292	832	92.1	4.53	417	0.11	10.02
Year ended September 1983	9 335	3 486	128.1	4.32	553	0.12	15.31
"A" reef Quarter ended December 1983	574	146	137.0	4.24	581	0.06	8.06
Quarter ended September 1983	498	136	45.8	11.09	508	0.27	12.52
Year ended September 1983	1 412	842	63.5	8.17	522	0.20	1289

The development reported includes development by the company in the area under tribute from President Steyn Gold Mining Company Limited.

DIVIDENDS

The final dividend of 220 cents a unit of stock in respect of the year ended September 30 1983 was declared on October 20 1983 payable to members registered on November 11 1983 and was paid on December 15 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R31 048 000.

For and on behalf of the board
E. P. GUSH } Directors
G. S. YOUNG }

January 20 1984

PRESIDENT STEYN

President Steyn Gold Mining Company Limited
and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 568 400 shares of 50 cents each

	Quarter ended Dec 1983	Quarter ended Sept 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	173	193	713
Tons milled—000	950	1 035	3 980
Yield—g/t	6.62	6.66	6.55
Production—kg	6 292	6 893	26 080
Cost—R/m² mined	316.06	277.21	268.32
—R/ton milled	57.56	51.69	51.65
—R/kg produced	8 690	7 762	7 882
JMS			
(See summary)			
Slimes delivered			
Tons 000	449	1 745	7 664
Head grade			
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	0.83	0.85	0.83
gold—g/t	0.59	0.60	0.59
PRICE RECEIVED ON SALES			
Gold—R/kg	14 764	14 885	15 363
—$/oz	386	419	435
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	91 727	103 938	401 005
—costs	54 678	53 501	205 573
—profit	37 049	50 437	195 432
JMS profit	3 355	4 920	19 736
Net sundry income	6 289	5 208	20 466
Profit before taxation and State's share of profit	46 693	60 565	235 634
Provision for taxation and State's share of profit	22 212	30 303	119 213
Profit after taxation and State's share of profit	24 481	30 262	116 421
Deduct:			
Appropriation for capital expenditure			38 539
Dividend—interim			40 786
—final			37 144
Decrease in retained profit			48
Capital expenditure	7 740	12 297	38 652

DEVELOPMENT

	Advance	Sampled					
	metres	metres	channel width	gold		uranium	
			cm	g/t	cm.g/t	kg/t	cm.kg/t
Basal reef Quarter ended December 1983	4 897	504	67.1	24.55	1 647	0.28	18.97
Quarter ended September 1983	3 849	504	56.2	20.77	1 167	0.24	13.59
Year ended September 1983	18 164	1 736	63.7	20.30	1 293	0.22	13.73
Leader reef Quarter ended December 1983	511	256	111.9	5.11	572	0.27	30.60
Quarter ended September 1983	304	182	141.5	3.72	527	0.22	31.77
Year ended September 1983	1 054	630	138.7	3.11	431	0.20	28.24
"A" reef Quarter ended December 1983	2 885	892	91.1	4.53	413	0.15	13.70
Quarter ended September 1983	2 577	828	87.0	5.37	467	0.13	11.52
Year ended September 1983	10.748	4 312	73.8	6.08	449	0.16	11.82

The development reported does not include development by President Brand Gold Mining Company Limited in the area under tribute to that company.

DIVIDEND

The final dividend of 255 cents a share in respect of the year ended September 30 1983 was declared on October 20 1983 payable to members registered on November 11 1983 and was paid on December 15 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R12 100 000.

G. S. YOUNG } Directors
E. P. GUSH }

For and on behalf of the board

January 20 1984

JOINT METALLURGICAL SCHEME

SUMMARY	Quarter ended Dec 1983	Quarter ended Sept 1983	Year ended Sept. 1983
(i) Pyrite flotation plants			
slimes treated—tons	4 515 000	4 654 000	18 251 000
(ii) Uranium plant			
slimes treated—tons	1 119 000	1 171 000	4 152 000
concentrate treated—tons	118 000	113 000	438 000
uranium oxide produced—kg	190 314	186 294	693 866
(iii) Acid plant			
acid produced—tons	85 877	98 647	348 136
(iv) Gold plant			
calcine treated—tons	77 596	90 857	329 583
gold produced—kg	912	1 005	3 560
(v) Profit—R000	12 510	15 005	85 736

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE

DEVELOPMENT

Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:

Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

Transvaal

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Reports of the Directors for the quarter ended December 31 1983

WESTERN DEEP LEVELS

Western Deep Levels Limited

ISSUED CAPITAL: 25 550 000 shares of R2 each

	Quarter ended Dec. 1983	Quarter ended Sept. 1983	Year ended Dec. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	182	198	747
Tons milled 000	871	915	3 522
Yield—g/t	11.47	11.31	11.20
Production—kg	9 988	10 349	39 455
Cost—R/m² mined	341.47	300.83	319.84
—R/ton milled	71.49	64.85	67.83
—R/kg produced	6 235	5 733	6 055
Uranium Oxide			
Tons treated 000	438	498	1 880
Yield—kg/t	0.09	0.10	0.09
Production—kg	40 380	48 481	173 841
PRICE RECEIVED ON SALES			
Gold—R/kg	14 766	14 924	15 221
—$/oz	392	419	426
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	150 028	154 312	601 074
—costs	62 269	59 335	238 911
—profit	87 759	94 977	362 163
Uranium oxide profit	1 045	527	2 665
Net sundry income	4 319	4 741	17 297
Profit before taxation and State's share of profit	93 123	100 245	382 125
Provision for taxation and State's share of profit	18 767	36 038	138 755
Profit after taxation and State's share of profit	74 356	64 207	243 370
Deduct:			
Appropriation for capital expenditure			134 689
Dividend—interim			53 655
—final			54 932
Retained profit for the year			94
Capital expenditure	63 032	35 068	152 025
SHAFT SINKING			
No. 1 main shaft	metres	metres	metres
Advance	266	301	949
Depth to date	1 993	1 727	1 993
Station cutting	47	62	175
No. 1 service shaft			
Advance	88	28	231
Depth to date	1 201	1 113	1 201
Station cutting	131	392	727

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Carbon Leader							
Quarter ended December 1983	8 927	24	27.2	57.68	1 569	1.16	31.46
Quarter ended September 1983	9 271	98	41.2	60.02	2 473	0.73.	30.10
Year ended December 1983	35 617	214	37.6	53.86	2 025	0.64	24.21
V.C.R.							
Quarter ended December 1983	5 407	148	52.0	36.38	1 892	—	—
Quarter ended September 1983	4 588	130	38.5	31.25	1 203	—	—
Year ended December 1983	16 209	368	48.0	32.79	1 574	—	—

ORE RESERVES (See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Carbon Leader							
July 31 1983 ..	R13 000	3 188	100.0	22.60	2 260	0.23	22.68
	R15 000	3 214	100.0	22.47	2 247	0.23	22.60
	R17 000	3 277	100.0	22.16	2 216	0.22	22.26
	R19 000	3 280	100.8	22.15	2 215	0.22	22.25
July 31 1982 ..	R12 000	3 065	100.0	23.44	2 344	0.22	22.27
V.C.R.							
July 31 1983 ..	R13 000	2 626	135.2	12.97	1 699	—	—
	R15 000	2 846	133.6	12.08	1 614	—	—
	R17 000	2 978	132.9	11.78	1 566	—	—
	R19 000	3 182	132.6	11.33	1 502	—	—
July 31 1982 ..	R12 000	2 741	133.4	13.37	1 783	—	—

DIVIDEND

Details of the dividends declared in respect of the year ended December 31 1983 are as follows:

	Dividend No. 43 (Interim)	Dividend No. 44 (Final)
Declared	July 21 1983	January 19 1984
Per share	210 cents	215 cents
Payable to members registered	August 12 1983	February 10 1984
Payment date	September 16 1983	March 16 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R58 267 610.

FIRE

A major fire occurred on November 8 1983 on 118 Level of the company's No. 3 shaft. The particular area has been sealed off and the fire is being monitored. Four long walls on the lower Carbon Leader reef horizon have thus been affected and the work force has been redeployed to stopes on the Ventersdorp Contact reef. It is considered unlikely that production from the area affected by the fire will be resumed before the end of March 1984.

Costs for the quarter ended December 1983 include a provision of R3.1 million for the rehabilitation of the area.

A tragic incident which resulted from the fire was the death from carbon monoxide fumes of six workers on November 15 1983 when they gained entry to the sealed off Return Airway on 105 Level.

For and on behalf of the board
E. P. GUSH, W. R. LAWRIE } Directors

January 20 1984

ERGO

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 41 000 000 shares of 50 cents each

	Quarter ended Dec. 1983	Quarter ended Sept. 1983	Nine months ended Dec. 1983
OPERATING RESULTS			
Slimes treated—tons	4 795 000	4 647 000	13 722 000
Sand treated—tons	573 000	419 000	1 198 000
Ore milled—tons	35 000	15 000	55 000
Total production			
uranium oxide—kg	47 944	56 491	165 038
sulphuric acid—tons	123 125	130 135	355 470
oleum—tons	8 590	7 822	21 870
gold—kg	1 608	1 628	4 697
Simmergo production (included in the above figures)			
gold—kg	296	304	851
sulphuric acid—tons	3 748	3 880	9 054
Treatment of pyrite purchased—tons ..	257	346	677
Production (included in the above total production figures)			
gold—kg	4	16	29
sulphuric acid—tons	66	181	268
PRICE RECEIVED ON SALES			
Gold—R/kg	14 641	14 888	14 880
—$/oz	382	419	412
FINANCIAL RESULTS	R000	R000	R000
Total including Simmergo:			
Revenue—gold and silver	23 292	24 549	69 456
—uranium oxide and sulphuric acid	8 184	8 422	31 669
Total revenue	31 476	32 971	101 125
Cost of sales	17 566	16 730	51 677
Operating profit	13 910	16 241	49 448
Net sundry income	1 070	568	1 874
Profit before taxation	14 980	16 809	51 322
Provision for taxation	(503)	583	5 589
Profit after taxation	15 483	16 226	45 733
Deduct:			
Appropriation for the first six months—			
Capital expenditure			18 888
Dividend—interim			11 275
Retained profit for the nine months ..			15 570
FINANCIAL RESULTS—Simmergo	R000	R000	R000
Revenue—gold and silver	4 305	4 600	12 559
—sulphuric acid	153	141	346
Total revenue	4 458	4 741	12 905
Cost of sales	4 675	4 056	11 643
Operating profit/(loss)	(217)	685	1 262
Net sundry income	21	10	34
Profit/(loss) before taxation, capital recoupment and royalty	(196)	695	1 296

Greater than anticipated downtime was incurred in re-lining the mill and there was a loss of thickeners on two occasions. These factors increased costs and affected production in the quarter.

ROYALTY TO SIMMER AND JACK MINES LIMITED

No royalty is payable to Simmer and Jack Mines Limited as the profit available to date after deduction of taxation is insufficient to recoup the initial capital expenditure financed by Ergo.

CAPITAL EXPENDITURE			
Ergo	11 549	11 282	27 098
Simmergo	2 209	1 855	6 478

DEVELOPMENT—Simmergo

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
South Deep shaft					
Quarter ended December 1983	924	392	179.1	1.61	288
Quarter ended September 1983	642	418	143.6	1.95	278
Nine months ended December 1983	2 077	1 148	162.7	1.74	283

DIVIDEND

The interim dividend of 27.5 cents a share in respect of the year ending March 31 1984 was declared on October 20 1983, payable to members registered on November 11 1983 and was paid on December 15 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R8 578 000 which includes an amount of R554 000 for the Simmergo project.

ACQUISITIONS BY ERGO OF NEW KLEINFONTEIN PROPERTIES LIMITED SLIMES DAMS

Details of the acquisition by Ergo of New Kleinfontein Properties Limited's slimes dams were published in a joint company announcement on December 30 1983.

ARRANGEMENTS WITH EAST DAGGAFONTEIN MINES LIMITED FOR THE TREATMENT OF CERTAIN SLIMES DAMS ON THE FAR EAST RAND AND THE ERGO TAILINGS DAM

Agreements relating to the abovementioned arrangements have been signed details whereof were published in the announcement dated December 23 1983 and copies of which were posted to members.

For and on behalf of the board
E. P. GUSH, W. R. LAWRIE } Directors

January 20 1984

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

ISSUED CAPITAL: 19 000 000 shares of 50 cents each

	Quarter ended Dec. 1983	Quarter ended Sept. 1983	Year ended Dec. 1983
OPERATING RESULTS			
Gold			
Totals:			
Area mined—m² 000	493	512	2 007
Tons milled—000	2 346	2 435	9 567
Yield—g/t	8.23	8.30	8.36
Production—kg	19 316	20 210	80 007
Cost—Complex			
—R/m² mined	253.18	250.29	245.17
—R/ton milled	53.20	52.65	51.43
—R/kg produced	6 462	6 341	6 150
North Lease area			
Area mined—m² 000	325	356	1 371
Tons milled—000	1 506	1 525	6 203
Yield—g/t	6.99	7.14	6.95
Production—kg	10 520	10 892	43 105
Cost—R/m² mined	248.22	238.17	230.68
—R/ton milled	53.14	55.60	50.98
—R/kg produced	7 607	7 784	7 337
South Lease area			
Area mined—m² 000	159	150	613
Tons milled—000	793	872	3 234
Yield—g/t	10.97	10.59	11.33
Production—kg	8 696	9 234	36 634
Cost—R/m² mined	273.60	281.64	280.51
—R/ton milled	54.86	48.45	53.17
—R/kg produced	5 003	4 575	4 694
AFRIKANDER LEASE AREA			
Area mined—m² 000	9	8	23
Tons milled—000	47	38	130
Yield—g/t	2.08	2.21	2.06
Production—kg	100	84	268
Cost—R/m² mined	143.67	185.67	166.78
—R/ton milled	27.51	29.52	29.51
—R/kg produced	12 930	13 262	143 13
Uranium Oxide			
Totals			
Tons treated—000's	2 042	2 075	8 185
Yield—kg/t	0.22	0.23	0.23
Production—kg	451 764	472 496	1 877 421
North Lease area			
Tons treated—000	1 186	1 163	4 784
Yield—kg/t	0.19	0.20	0.19
Production—kg	225 097	231 444	929 742
South Lease area			
Tons treated—000	856	912	3 401
Yield—kg/t	0.26	0.26	0.28
Production—kg	226 667	241 052	947 679
PRICE RECEIVED ON GOLD SALES			
North and South Lease areas			
—R/kg	14 608	14 937	15 311
—$/oz	388	420	432
Afrikander Lease area			
—R/kg	14 608	14 139	14 213
—$/oz	388	398	401
FINANCIAL RESULTS	R000	R000	R000
Total			
Gold—revenue	285 404	304 345	1 225 655
—costs	124 818	128 148	492 054
—profit	160 586	176 197	733 601
Uranium oxide profit	28 789	9 503	55 495
Tribute profits	9 759	6 565	31 519
Net sundry income	6 666	9 944	31 323
Dividend from Southvaal Holdings Limited			
—interim declared July 1983	—	—	13 975
—final declared January 1984	11 700	—	11 700
	215 500	202 209	877 613
Deduct:			
Royalties to:			
Southvaal Holdings Limited	34 397	48 038	186 792
The Afrikander Lease Limited	31	32	125
Profit before taxation and State's share of profit	181 072	154 139	690 696
Provision for taxation and State's share of profit	55 893	71 773	307 585
Profit after taxation and State's share of profit	125 179	82 366	383 111
Deduct:			
Appropriation for capital expenditure ..			158 194
Dividend—interim			111 150
—final			115 900
Add: Transfer from General Reserve ..			2 400
Retained profit for the year			267
Capital expenditure	65 897	30 338	158 203
Consolidated profit:			
Consolidated profit, after providing for taxation and State's share of profit of the company and its wholly-owned subsidiary Western Reefs Exploration and Development Company Limited ..	125 167	82 398	383 432
North Lease area			
Gold—revenue	155 476	164 088	660 392
—costs	80 023	84 788	316 267
—profit	75 453	79 300	344 125
Uranium oxide profit	12 838	4 315	25 952
Tribute profit	5 166	3 405	17 099
	93 457	87 020	387 176
Capital expenditure	26 351	13 210	65 780
South Lease area			
Gold—revenue	128 430	139 067	561 443
—costs	43 502	42 246	171 951
—profit	84 928	96 821	389 492
Uranium oxide profit	13 951	5 188	29 543
Tribute profit	4 593	3 160	14 420
	103 472	105 169	433 455
Deduct:			
Capital expenditure	39 287	16 524	87 624
Repayment of loans and interest to Southvaal Holdings Limited	243	243	973
Repayment of consumer loan	1 401	1 061	5 236
Surplus subject to royalty	62 541	87 341	339 622
Royalty to Southvaal Holdings Limited (55% of surplus)	34 397	48 038	186 792
Capital expenditure	39 397	18 524	87 624
Afrikander Lease area			
Gold section			
Gold—revenue	1 496	1 190	3 820
—costs	1 393	1 114	3 836
—profit	103	76	(16)
Available for royalty	205	76	—
Royalty to The Afrikander Lease Limited (minimum)	15	19	75
Capital expenditure	240	431	3 293
Uranium Section			
Royalty to The Afrikander Lease Limited (minimum)	13	13	50
Capital expenditure	13	133	1 506
SHAFT SINKING	metres	metres	metres
(South Lease area) No. 9 main shaft			
Advance	—	—	—
Final depth (sinking completed)	2 342	2 342	2 342
Station cutting	1 012	790	2 090
No. 9 ventilation shaft			
Final depth (sinking completed)	2 339	2 339	2 339
Station cutting	—	nil	1 415
(Afrikander Lease area) No. 1 incline shaft			
Advance (shaft deepening)	—	—	—
Depth to date (sinking completed)	1 101	1 101	1 101

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
North Lease area Vaal Reef							
Quarter ended December 1983	18 089	1 790	39.6	43.41	1 719	1.08	42.84
Quarter ended September 1983	19 104	1 696	45.8	39.46	1 634	0.90	41.32
Year ended December 1983	69 262	7 080	47.9	37.39	1 791	0.91	43.57
V.C.R.							
Quarter ended December 1983	580	—	—	—	—	—	—
Quarter ended September 1983	593	84	156.0	1.46	227	0.02	3.00
Year ended December 1983	2 433	178	175.2	2.29	401	0.03	4.98
South Lease area Vaal Reef							
Quarter ended December 1983	10 292	1 158	55.1	35.72	2 446	0.95	90.01
Quarter ended September 1983	11 668	996	73.5	28.80	2 117	1.19	87.26
Year ended December 1983	43 858	3 458	89.0	26.09	2 322	1.02	90.47
"C" reef							
Quarter ended December 1983	285	54	20.4	67.75	1 382	1.74	35.53
Quarter ended September 1983	227	90	17.7	45.54	806	1.11	19.62
Year ended December 1983	1 086	398	20.6	62.18	1 285	1.54	31.63
Afrikander Lease area Jeppestown Rietkuil No. 5 reef (Gold Section)							
Quarter ended December 1983	404	178	71.3	3.06	218	0.09	6.43
Quarter ended September 1983	705	158	79.8	5.50	439	0.10	8.12
Year ended December 1983	2 417	706	111.9	3.01	337	0.06	6.75
Totals Vaal Reef (excluding tribute areas)							
Quarter ended December 1983	26 361	2 948	51.4	32.65	2 005	1.00	61.25
Quarter ended September 1983	30 772	2 692	56.1	32.21	1 807	1.04	58.32
Year ended December 1983	113 120	10 536	61.4	32.00	1 965	0.96	58.95

ORE RESERVES (See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Totals Vaal and C reef							
July 31 1983 ..	R13 000	25 053	119.5	13.36	1 596	0.42	50.29
	R15 000	26 443	119.1	13.13	1 562	0.41	49.36
	R17 000	27 336	119.5	12.81	1 530	0.41	48.50
	R19 000	28 111	119.8	12.61	1 494	0.40	47.64
July 31 1982 ..	R12 000	25 895	119.8	12.14	1 441	0.41	48.82
V.C.R. and Elsburg reef							
July 31 1983 ..	R13 000	4 938	119.8	4.72	551	0.10	12.21
	R15 000	5 098	118.8	4.63	549	0.11	12.48
	R17 000	5 275	116.3	4.65	540	0.11	12.53
	R19 000	5 401	119.1	4.55	542	0.11	12.63
July 31 1982 ..	R12 000	5 123	113.4	4.58	519	0.11	12.16

VAAL REEFS—*continued*

ORE RESERVES

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Jeppestown Rietkuil No. 5 reef (Gold Section) (Afrikander Lease area)							
July 31 1983 ..	R13 000	40	102.8	3.77	388	—	—
	R15 000	47	105.0	3.59	373	—	—
	R17 000	59	108.0	3.22	348	—	—
	R19 000	59	108.0	3.22	348	—	—
Dominion reef							
July 31 1982 ..	R12 000	83	106.2	1.04	110	1.44	152.69
South Lease area (included in above figures)							
Vaal and C reef							
July 31 1983 ..	R13 000	9 157	138.0	13.64	1 883	0.48	67.49
	R15 000	9 187	137.9	13.62	1 878	0.49	67.38
	R17 000	9 407	138.3	13.39	1 852	0.48	67.00
	R19 000	9 425	138.3	13.37	1 849	0.48	66.91
July 31 1982 ..	R12 000	9 028	138.7	14.24	1 975	0.49	67.56

DIVIDENDS

Details of the dividends declared in respect of the year ended December 31 1983 are as follows:

	Dividend No. 54 (Interim)	Dividend No. 55 (Final)
Declared	July 21 1983	January 19 1984
Per share	585 cents	610 cents
Payable to members registered	August 12 1983	February 10 1984
Payment date	September 16 1983	March 16 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R44 485 000.

For and on behalf of the board
E. P. GUSH, W. R. LAWRIE ; Directors

January 20 1984

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

S.A. LAND

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 9 182 700 shares of 35 cents each

	Quarter ended Dec 1983	Quarter ended Sept 1983	Year ended Dec. 1983
OPERATING RESULTS			
Gold			
Tons milled—000	564	519	2 140
Yield—g/t	0.77	0.74	0.75
Production—kg	432	384	1 605
Production, transport and screening costs			
—R/ton milled	6.97	7.54	7.16
—R/kg produced	9 097	10 193	9 555
PRICE RECEIVED ON SALES			
Gold—R/kg	14 589	14 859	15 096
—$/oz	382	418	413
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	6 323	5 694	24 233
—production costs	2 447	2 557	9 650
—transport and screening costs ..	1 483	1 357	5 686
	2 393	1 780	8 897
Less cost of dump material	1 370	1 057	5 262
Gold profit	1 023	723	3 635
Net sundry revenue	442	389	1 754
Profit before taxation	1 465	1 112	5 389
Taxation—estimated	330	65	486
Profit after taxation	1 135	1 047	4 903
Deduct:			
Dividend—interim			2 755
—final			2 755
Transfer from Reserve			607
Capital expenditure	690	976	4 283

DIVIDENDS

Details of the dividend declared in respect of the year ended December 31 1983 are as follows:

	Dividend No. 84 (Interim)	Dividend No. 85 (Final)
Declared	July 21 1983	January 19 1984
Per share	30 cents	30 cents
Payable to members registered	August 12 1983	February 10 1984
Payment date	September 16 1983	March 16 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R90 000.

DE-WATERING OF VAN DYK NO. 5 SHAFT

De-watering of the No. 5 shaft was completed during the quarter ended September 30 1983 and sampling commenced. One further area has still to be opened up and sampled before the programme is completed and the feasibility study evaluated.

For and on behalf of the board
W. R. LAWRIE, E. P. GUSH ; Directors

January 20 1984

ELANDSRAND

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 96 619 825 shares of 20 cents each

	Quarter ended Dec. 1983	Quarter ended Sept. 1983	Year ended Dec. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	78	89	323
Tons milled—000	414	450	1 716
Yield—g/t	5.67	5.52	5.74
Production—kg	2 347	2 484	9 858
Cost—R/m² mined	283.98	243.64	258.64
—R/ton milled	53.38	48.21	48.72
—R/kg produced	9 407	8 735	8 481
PRICE RECEIVED ON SALES			
Gold—R/kg	14 724	14 965	15 301
—$/oz	384	420	431
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	35 246	37 278	151 845
—costs	22 085	21 697	83 609
—profit	13 161	15 581	68 236
Net sundry income	3 199	2 976	11 780
Profit	16 360	18 557	80 016
Deduct:			
Appropriation for capital expenditure ..			41 000
Dividend—interim			19 324
—final			19 324
Retained profits for the year			368
Capital expenditure	17 464	15 022	50 625
SHAFT SINKING			
Sub-vertical rock/service shaft	metres	metres	metres
Advance	51	28	258
Depth to date	810	759	810
Sub-vertical ventilation shaft			
Advance	196	325	468
Depth to date	468	272	468

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
V.C.R.					
Quarter ended December 1983	7 379	1 380	88.6	18.39	1 629
Quarter ended September 1983	8 523	1 458	89.4	14.25	1 274
Year ended December 1983	32 879	5 664	88.4	14.58	1 289

Station cutting metres are included under advance metres.

ORE RESERVES (See note 1)

	Based on gold price per kilogram	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t
July 31 1983	R13 000	2 696	124.1	8.09	1 004
	R15 000	2 835	124.5	7.87	980
	R17 000	3 009	125.4	7.60	953
	R19 000	3 127	124.3	7.43	923
July 31 1982	R12 000	1 376	119.3	9.12	1 088

DIVIDENDS

Details of the dividends declared in respect of the year ended December 31 1983 are as follows:

	Dividend No. 2 (Interim)	Dividend No. 3 (Final)
Declared	July 21 1983	January 19 1984
Per share	20 cents	20 cents
Payable to members registered	August 12 1983	February 10 1984
Payment date	September 16 1983	March 16 1984

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1983 totalled R4 136 000.

PRODUCTION

A steel girder accidentally fell down the ventilation shaft on November 27 1983 *necessitating the suspension of rock winding operations whilst repair work was in progress.* Repairs have been completed and production restored.

For and on behalf of the board
E. P. GUSH, W. R. LAWRIE / Directors

January 20 1984

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. ORE RESERVES
At July 31 1983 ore reserves were estimated at a pay limit based on a gold price of R15 000 (1982: R12 000) a kilogram and, in the case of Vaal Reefs and Western Deep Levels, at a *composite pay limit* taking account of a uranium price which reflects the prices that the companies will receive for their contracted sales in 1984. Also shown at that date are ore reserve tonnages estimated at pay limits based on gold prices of R13 000, R17 000 and R19 000 a kilogram to indicate the sensitivity of the ore reserves to gold price variations. For these exercises the uranium price was held constant.
2. DIVIDENDS
Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, January 19 1984, of final dividends for the year ended December 31 1983.
3. DEVELOPMENT
Development values represent actual results of sampling, no allowances having being made for adjustments necessary in estimating ore reserves.

The Orange Free State Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:
Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.
LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

COMPANY NEWS

Country and New Town improves to £1.2m at halfway

ANY INCREASE from £939,000 to £1.23m in pre-tax profits is *reported by* Country and New Town *Properties* for the six months to July 30 1983. Mr G. M. Newton, chairman, says he is confident that this trend has continued through the second half of the year.

The net interim dividend has been raised from 0.3p to 0.4p—in the last full year a total of 1p *was paid from* pre-tax profits of £2.01m.

Earnings per 10p share for the six months improved from 0.63p to 1.13p.

After settlement *in May 1983* of claims from the Civil Service Store fire—a settlement of £13.5m was received—planning permission for rebuilding has *been granted* and work started in August. The contractors are making good progress and rebuilding should be completed by August 1985.

While tenants dispossessed as a result of the fire have the legal right and obligation to re-occupy their original space, Mr Newton expects an increase in rental income from the new building.

In the U.S., the subsidiary, Commonwealth Realty Trust, has continued to enhance its portfolio of properties with the acquisition of an office block in the centre of Princeton, New Jersey, for about US$4.25m (£3m).

Canadian investments continue to prosper says Mr Newton. Development on a freehold site in Vancouver is virtually com*pleted,* while a *joint venture* with a subsidiary of Imperial Life Assurance Company of Canada progresses well.

Tax came to £432,000 (£240,000). Minority interests took £280,000 (£412,000), and dividends will absorb £183,000 (£137,000). Retained profits grew from £150,000 to £331,000.

Oakwood slumps into loss but maintains dividend

A "*DIFFICULT* and disappointing" year has been experienced by Oakwood Group, engineer and sanitaryware distributor.

Following a slump in interim profits, the company fell into the red in the second half and *finished with an overall pre-tax* deficit of £175,000 for the year to September 30 1983, compared with a £568,000 profit.

However, in view of the group's sound financial position and profitable trading in most of its activities, the directors are holding the final dividend at 4.5p net for an unchanged total of 6.5p. Certain directors have waived their entitlement to dividends amounting to £32,000.

The results, the directors state, have been substantially adversely affected by the start of two contracts in the second half, involving electrical installation work and motorway lighting.

Provision has been made for all anticipated losses from the *contracts* which are now virtually complete, they state.

Turnover for the 12 months rose from £11.66m to £11.93m. *Profits at the halfway stage were* £98,000 (£243,000).

The group has recently secured a £4m transmission contract in Kenya; work will *commence in 1985.* It has also been awarded a £1m contract for laying fibre optic cables on railway routes.

It is anticipated that wholesaling activity will increase due to the better economic prospects, but this must be judged in the context of an organisation that is expanding its trading base, the directors point out.

A tax credit of £201,000 (charge £263,000) left the group with a net profit of £26,000 (£305,000). There were no minorities (£23,000). Extraordinary credits added *£3,000* (£5,000).

Earnings per 25p share are given as 1.3p (14.1p). Profit available for distribution was *£29,000 (£287,000) and dividends* will absorb £98,000 (£121,000).

Fleming interim

Fleming Technology Investment Trust is to pay an unchanged interim dividend of 0.8p for the half-year to November 30 1983. Net asset value per share stands at 179.8p (133.3p). Mr. R. P. Fleming, chairman, states in his report that the board is sanguine about the effects of the recovery in the U.S. and elsewhere on the share prices in the company's portfolio.

St. Andrew Trust

Net asset value of the 25p shares of St. Andrew Trust improved by 77.5p to 332.6p and earnings per share by 0.36p to 6.85p over the 12 months to December 31, 1983.

A final dividend of 4.5p (4.2p) lifts the net total payment for the year from 6.7p to 7p. Gross revenue totalled £1.45m (£1.38m) and net revenue available emerged at £809,000 (£768,000) after tax of £479,000 (£446,00).

CONTRACTS

Five contracts worth over £3.25m have been awarded to *MILLER CONSTRUCTION,* Wakefield-based division of James Miller and Partners. These include, in Barnsley, 48 homes and communal block for Barnsley Metropolitan *Borough Council* valued at £1.7m; an office block, the first in Yorkshire for English Industrial Estates, containing 18 suites from 775 sq ft to 2,200 sq ft, valued at £800,000; an aged persons home at Gipton, for Leeds City Council valued at £650,000; a medical centre at Bradford for Bradford Area Health Authority valued at £350,000; and an industrial development comprising 10 units at Luddenden Foot, near Halifax for Calderdale Borough Council valued at £320,000.

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Contracts worth more than £3m have been awarded to **MANSELL.** Work is to start soon on a £1.2m one-year contract for the London *Borough of Hackney* in the Graham and Navarino Housing Action Area, where 20 houses, including three Georgian listed buildings are to be refurbished and converted into maisonettes and flats. At the Shire *Hall* in Shinfield Park, Reading, offices, computer and training rooms are being formed on the third floor for Digital Equipment Co, under a £782,000 contract due for completion in April. Alterations to offices of the overseas division of Lloyds Bank at Monument Street, City, are to be carried out under a £667,000 contract due for completion in January 1985, and a £459,000 ten-month contract is under way for the London Borough of Southwark at the Slippers Place Estate, Rotherhithe, where pitched, tiled roofs are being constructed above existing flat roofs.

★

WALTER LAWRENCE DESIGN AND CONSTRUCT has started work on a £984,000 negotiated contract for the construction of industrial starter units, at the *Pinnacles Industrial Estate,* Harlow, on behalf of Guardian Royal Exchange. The project consists of 53 units varying from 238 sq ft to 2,005 sq ft lettable area. The *overall development totals* 33,995 sq ft in six single-storey buildings on a 2.11 acre site. Many services are offered on a shared basis, including secre*tarial, book-keeping, reprographic,* appointment and telephone message, interview, conference and snack bar facilities, and business management, together with advice and cleaning. *Tenants* may also buy equipment and have the cost rentalised. Work is due for completion in September.

★

WILLIAM TOWNSON AND SONS, Bolton, has won a contract to build a car showroom with ancillary garage and office premises for Ian Anthony, Bury-based BMW and Porsche agents. Worth £667,000 the order is for a 1,300 sq metre car showroom at the corner of Bradshawgate and Shiffnall Street in Bolton town centre. Construction starts on January 30 and is scheduled for completion on October 6.

★

TURRIFF CONSTRUCTION has been *awarded a contract by* Leeds City Council for whole house improvements to 126 homes at Westfield. The contract is worth £991,660, and is due to finish in September.

★

A studio for Granada Television in Manchester and a leisure centre in Birmingham are among contracts worth nearly £3.5m won by **FAIRCLOUGH BUILDING.** The single-storey studio, worth £887,000, is to replace a production building destroyed by fire last year. Completion date is June. Suitable for staging indoor sports events, the studio has an internal height of 8 metres under a geodesic space-frame roof on steel columns. The exterior is brick clad to blend with surrounding buildings. A 4,000 sq metre leisure centre at Hartfield School, Hall Green, is being *built under a £2.45m contract* for the City of Birmingham. Due for completion in August 1985, it includes a *multi-purpose* sports hall, swimming pool, *squash courts, changing facilities* and a dining room for the school.

★

WILLIAM MOSS CONSTRUCTION has been awarded £4m work, including refurbishment work at the Salford PCO, at Redhill for the Post Office; kitchens are being built at Ashton Manor, Bristol, for the City of Bristol; and refurbishment at the Chantry, Berkeley, Gloucestershire for the trustees of the Jenner Trust. In the Midlands, Moss is building a warehouse at Loughborough for Fisons, and a residential development at Birmingham for the Midland Area Development Housing Association. Contracts won in the *north west include two jobs for* the North West Regional Health Authority, a day centre at Hutton Hospital and a boiler house at Leigh Infirmary, phase *II of Sutton Sports Centre, St* Helens, and a housing development at Warrington for the Grosvenor Housing Society.

★

Blisset & Pugh of Wembley has embarked on a £500,000 expansion, including the installation of high speed saddlestitching and collating lines from **HARRIS GRAPHICS** *worth £200,000.*

★

SWIFTS OF SCARBOROUGH, maker of cable support systems, has been awarded a contract *worth about £12,000 to supply* items for the Hong Kong and Shanghai Bank development project at 1, Queens Road, central Hong Kong. The order was placed with Swifts by Ellistons (Welwyn), and comprises cable ladder and accessories.

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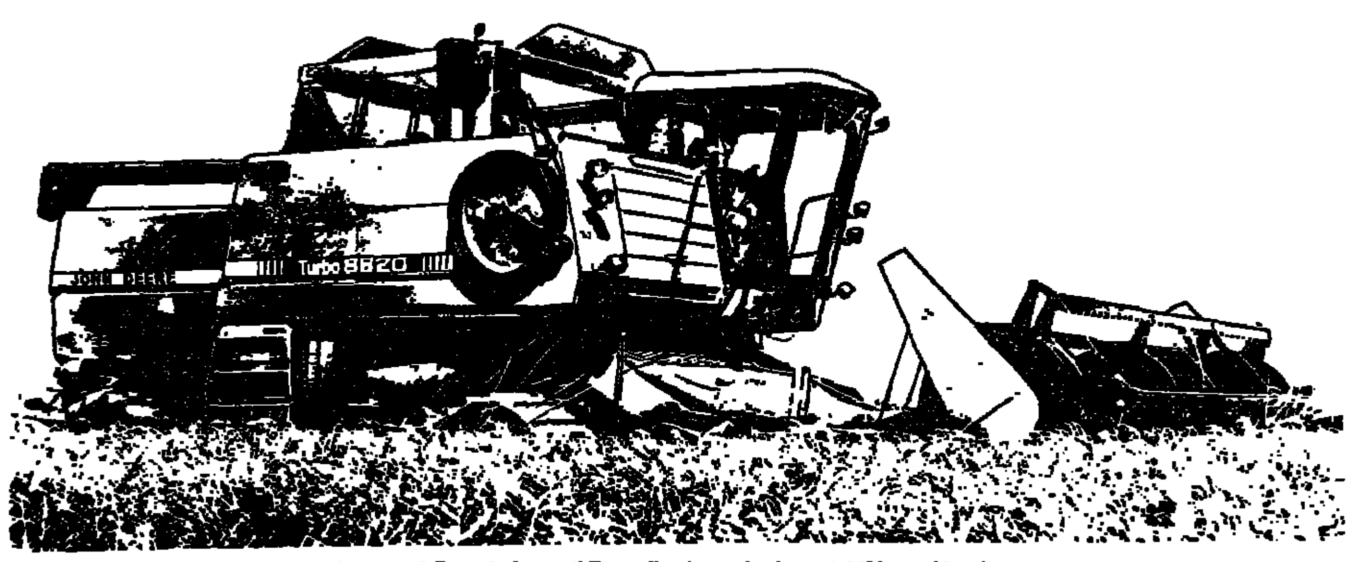
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



The largest of Deere's latest "Titans"—the turbocharged 8820 combine harvester

Deere ploughs a lone furrow

Terry Dodsworth on the U.S. farm machinery maker's strategy

ONE OF the oddest features of the sudden collapse of International Harvester and of Massey-Ferguson is that throughout the 1970s membership of the U.S. agricultural equipment market represented a licence to print money. During that decade, Deere and Company, the third member of the U.S. industry's dominant triumvirate, regularly made a pre-tax return on equity of between 20 and 30 per cent. For a time, it figured among the most consistently profitable manufacturing companies in the U.S.

This golden era ebbed away in the recession, dragging Deere back into the ranks of ordinary companies that sometimes make a loss. Nevertheless, the basis of the group's health, and the weakness of its competitors, derives from this time. These were the seven fat years, and Deere used them in a manner that would have drawn the approval of an Old Testament prophet. It salted away its earnings, poured money into new plant, products and dealers, and extended its market lead in preparation for the bad times.

As a result, the contrast between Deere and International Harvester, its main U.S. competitor, could hardly have been greater, as they plunged into the recession. Harvester had been losing market share throughout the 1970s, and was burdened with a 65 per cent debt to equity ratio at the end of 1979 before it virtually committed Hara Kiri by taking on its workforce in a six-month strike. By the end of 1980 it had run up debts of $2.2bn net, supported by only $1.7bn of equity. Yet Deere had held its gearing ratio to 56 per cent despite heavy capital expenditure and the impact of the slump in demand.

This style of management—conservative and unsensational—has often been attributed to the company's mid-western origins. Deere itself is not particularly happy with this typecasting, since it tends to divert attention from its very real national and international presence: indeed, only about 55 per cent of its U.S. agricultural equipment sales are in the midwest. Yet it is an essential part of the message it transmits to shareholders. On Wall Street, Deere is clearly seen as a company where homespun country virtues count in the financial analysis.

Even Deere's one touch of self-indulgence — a splendid palace of a headquarters, created, like a modern steel and glass Versailles, in rolling parklands surrounding fountains and a Henry Moore sculpture—only serves to emphasise its traditions.

It is set in the Mississippi River valley near Moline, Illinois, not far from the point where Mr John Deere invented a new kind of plough 100 years ago. Deere's breakthrough, a steel shod ploughshare capable of turning the sticky local soil and its thick covering of prairie grass, transformed the local economy overnight.

Since then, Deere's growth has kept step with the development of mechanical farming in what was to become the richest farming area the world has ever known. Until the 1960s, however, it was always running hard to catch up with Harvester, its main rival established in nearby Chicago. The turning point came in the mid-1950s with the appointment of Bill Hewitt, now U.S. ambassador to Jamaica, as Deere's chief executive.

Framework

"Bill Hewitt established a style," says John McGinty, an analyst at First Boston. "He gave a broad framework to policy and appointed some hard-driving presidents to carry it out."

During Hewitt's reign Deere eventually overtook Harvester to reach its present level of around 45 per cent of the U.S. agricultural equipment market.

In a valedictory tribute to Hewitt a year ago, the Deere board attributed his success to three important decisions: the company's move into international markets, its diversification into construction equipment, and its development of a new range of engines.

The international move was clearly a part of the thrusting, questioning approach he brought to the company's strategy, and earned reasonable returns for the company in the 1970s. But few outsiders believe it was a key factor in its development, any more than was the decision to attack the construction machinery market, where profits have been difficult to come by, and where Deere has scarcely been challenging the established manufacturers.

Outsiders see Hewitt's most important contribution as the decision to move over to four and six cylinder engines to replace the famous two cylinder "pop pops," well-known to lend-lease farmers in Europe. The new engines established the product base—and the brute horsepower—which enabled the company to follow and even prompt the aggressive expansion of larger scale mechanical farming in the U.S.

Deere's strength today depends on the marriage of this product line to a dealership organisation which far surpasses that of its rivals, it has around 2,500 U.S. dealers (as against Harvester's 1,800) and, of those, analysts reckon that around 1,800 are of exceptional quality.

"We have perhaps spent more man-hours over the years building strength into our independent dealer organisation than anyone else has," says Boyd Bartlett, Deere's vice-president.

The sales organisation has become progressively more important to Deere because of the steady trend towards concentration in U.S. farming. The big, mechanised farmers want, above all, efficiency and speed of delivery. The economics of the system depend upon optimising the best times for planting and harvesting.

For the same reason, Deere has poured investment funds back into its new products, spending more heavily than its competitors and, according to analysts, keeping ahead of them. "Deere is the industry's low cost producer," says McGinty. Just how low it has pushed its costs is evident from its fourth quarter figures for its last financial year to October, when it made net profits of $56m when operating at only around 40 per cent of capacity, having made a loss for the first nine months of that year.

Throughout the 1970s, these manufacturing and distribution policies combined with the booming market to propel Deere into an exceptionally prosperous period. The boom arrived through no cause of its own—the result of President Nixon's decision to start supplying grain to both Communist Russia and China. Demand for America's produce immediately shot up, equipment orders followed and for virtually a decade the big producers were unable to meet sales targets.

Deere's tactics during this period were to continue to put the pressure on competitors by ploughing back funds into the most up-to-date technology. In effect, it began to build in capacity for a much larger market share, and in the late 1970s launched an ambitious $0.5bn project for a new tractor plant and refurbished engine lines at Waterloo, Iowa.

The result is a facility which is reckoned to contain one of the most striking examples of electronically - controlled materials-handling and assembly in the U.S. Deere may have been lucky with its timing on Waterloo: by the time the market went into an unpredictable reverse, the major expenditure had been completed and was no longer draining resources out of the business.

Politics

The slump in demand came just as abruptly as the earlier surge, and was traceable to the same cause—politics. President Carter's 1980 ban on grain exports to Soviet Russia plunged U.S. farming into overproduction, with the result that at least 40m acres of land were taken progressively out of cultivation. Equipment orders slipped back, while farmers with less cash to spend stretched out their available machinery.

The impact is clearly visible on Deere's finances, which were further hit by the 75 per cent fall in construction equipment orders. In its hey-day, back in 1976, the company was sitting on a mound of $173m worth of cash and short-term investments, with gross debt of $628m supported by shareholders' funds of $1.4bn. By the end of 1982, the cash had dribbled away to $52m, while debt had risen to $1.9bn, and the debt/equity ratio had reached 76 per cent. Much of the debt had gone into financing stock, which had risen alarmingly, blocking up the dealership chain to around nine months' supply against a normal three months. In the first nine months of 1983, the company slipped into loss to the tune of $34.7m net.

To stem the losses, Deere has launched into a classic bout of cost-cutting, trimming overheads to bring its volume breakeven point down dramatically. Following redundancies of around 13,000 over the last three years, output in the last 12 months has been running at less than sales to allow stocks to run down.

At the same time, the company has followed several other manufacturing groups into a radical new profits-based wages system. The old structure of price indexed benefits has been abandoned in favour of a contract which will only yield higher earnings to the degree that profits increase. And the cash outflow has been stemmed by cutting back on capital expenditure, now running at only about one-third of its level three years ago.

Deere has been able to trim in this way without jeopardising its future because, by chance or clever timing, it had already pushed through its major overhaul. It is now ready to cope with an upturn in the market which, says Bartlett, could be accommodated without any significant increase in administrative staff.

According to most industry forecasts, that upturn is now beginning, fuelled by changes in the Government's support programme for farming, and the poor harvest caused by extensive droughts this year.

The short-term worry for the company is that it will be fighting a marketing battle on somewhat unequal terms. Both its main rivals are now, in one way or another, receiving either public or private financial support.

One course of action in this situation might be to try to pick up some of the pieces which are being shed during the reorganisation of these companies. But Deere has resolutely rejected this option so far, preferring to trust in its own technology and systems.

Wall Street, however, which currently has Deere on some very heady earnings ratings, seems to have few anxieties on this score. Indeed, analysts are more interested to see where Deere will make its next geographical move.

Buying policy in British industry

BY TIM DICKSON

WHO DECIDES which supplier gets an order or contract? And who finally authorises the purchase?

These questions are vital for any company selling goods or services to British industry. But, as a new survey conducted by the School of Management at Cranfield Institute of Technology for the Financial Times points out,* the answers are not always as straightforward as some might expect. Businesses base purchasing decisions on a mixture of technical and commercial considerations and indeed a chain of people can be involved in the process.

Based on 1,136 questionnaires returned by managing directors of companies of all shapes and sizes and 3,377 returned by executives with purchasing responsibilities, the survey reavels among other things that:

- Only 4 per cent of companies require board approval for expenditure up to £500, though 31 per cent require the authorisation of an individual director and 52 per cent that of a departmental manager.
- Eighty-eight per cent of companies demand board approval for amounts over £50,000 while only 2 per cent give the departmental manager the necessary authority for purchases of this scale.
- At the initiation and specification stages of a purchase decision, the buying company's technical requirements are the determining factor for suppliers. But when it comes to commercial evaluation of competing products, the marketing, sales and public relations effort of potential suppliers can begin to influence the buyers' choice.

Of companies included in the survey, 24 per cent had less than 100 employees, while 26 per cent boasted workforces of more than 1,000. Their activities embraced a wide range of manufacturing industries. Seven product categories were considered in detail — component parts, plant and equipment, materials, commercial vehicles and trailers, private cars, office equipment (including microcomputers) and mainframe and minicomputers.

Significant variations in the approach to purchasing emerged in the answers from managing directors of companies with more than one establishment. Only 48 per cent adopted a "centralised" policy for the purchase of components, but the figure rose to 88 per cent and 87 per cent for buying private cars and computers respectively.

Generally speaking, directors seem to like getting more directly involved with the hire-purchase of company cars than with more mundane items like materials or component parts. In more than 28 per cent of cases the board was collectively responsible for authorising the purchase of cars; in 52 per cent of companies it was the managing director; and with 20 per cent it was another individual director.

Only 3 per cent of boards bothered themselves with deciding on component parts; in 57 per cent of cases with this sort of business it was the purchasing department which most influenced decisions.

Office equipment and microcomputers for office use were also considered sufficiently important to deserve collective board scrutiny in 35 per cent of companies, while the managing director was involved individually in the final say 47 per cent of the time.

The researchers also asked about the gross salaries of executives at different levels within the company. The table below shows the figures for the total sample of companies from which managing directors returned the questionnaires.

GROSS ANNUAL SALARY

	Under £10,000 %	£10,000-£15,000 %	£15,000-£23,000 %	£23,000-£40,000 %	Over £40,000 %
Executive Directors	2	17	48	28	5
Departmental Managers	20	52	25	3	—
Middle Managers	54	41	5	—	—
Lower Management	91	9	—	—	—

**How British Industry Buys. Available from FT Market Research Department from February. Price £75.*

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday January 20 1984

European zinc price continues rise to $1,010, Page 34

WALL STREET

Caution as bond slide continues

A CAUTIOUS tone prevailed on Wall Street yesterday as bond prices slipped lower for the third consecutive trading session, *writes Terry Byland in New York.*

The stock market opened higher, largely in reflection of the fall in the Federal Funds rate but quickly abandoned any attempt to move forward. Trading was subdued and leading stocks turned mixed.

At 2pm, the Dow Jones industrial average showed a net fall of 3.77 at 1,265.60.

Hopes of a downturn in interest rates in the near term have receded and credit market analysts are already turning their attention to the prospects for the next round of Treasury Financing. On February 1, the Treasury is expected to announce a $15bn funding package.

Short-term rates continued to edge higher, although the Federal Funds rate came down to 9⅝ per cent from the 10¼ per cent touched late on Wednesday in the course of the weekly bank settlement.

The stock market was again discouraged by the flat reception accorded to IBM's results.

There were some selling orders for IBM waiting when the market opened, and the price started at $120¼. Selling of the market bellwether stock was light, but with few buyers about the price dipped to $119¾, a net $⅝ off.

There were further gains in airline issues as brokerage analysts drew attention to the substantial reduction in the ruinous fare discounting which played havoc with earnings in 1982.

AMR (American Airlines) eased by $¼ to $40½ as profits were taken in the wake of the excellent results. But on the American Stock Exchange, Texas Air gained $⅛ to $8⅞ and Continental Air $⅜ to $7⅛.

Among the international air carriers, which are benefiting strongly from the boost to U.S. international travel by the strength of the dollar, Pan American pushed through to a new peak of $9⅛, a gain of $¼ in heavy trading at one time, heading the list of active stocks.

But elsewhere, the picture was dull. General Motors shed $⅛ to $77¼, Monsanto were $2 off at $99¼, Honeywell lost $¾ to $128½, and the new AT & T stock was $⅛ lower at $18. Digital Equipment gave up another $⅝ of the recent gain to stand at $89¼.

Utility issues remained depressed by the problems of several companies with nuclear plant projects. Commonwealth Edison was sold down by $⅝ to $23 as its debt and preferred stock issues were placed on the CreditWatch list by Standard and Poor's the debt rating agency.

Consummation of the deal with Chris-Craft, which took 19 per cent of the equity, left Warner Communications $¾ off at $28¾, with the market poised for the next move from Mr Rupert Murdoch.

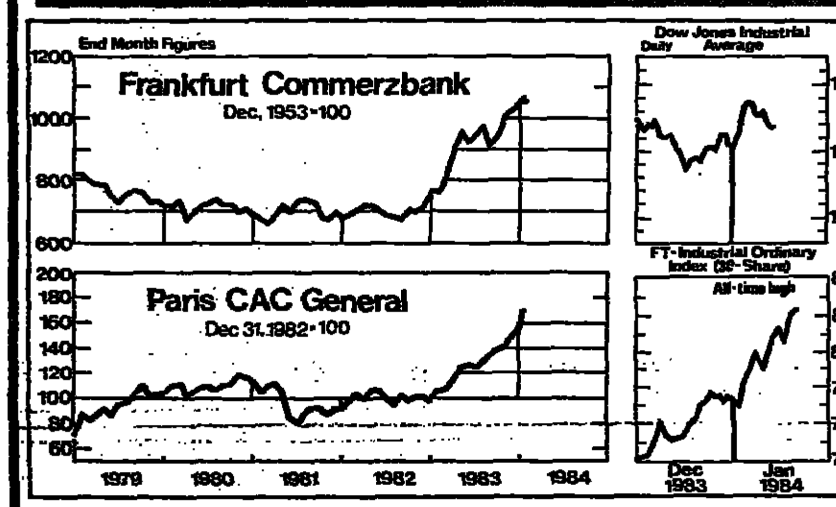
Stock in InterFirst, the 14th largest bank in the U.S., made a delayed start after the disclosure of a dividend cut, resignation of the chairman and rsated losses. Later the stock traded at $15¾, a net $2⅛ down in heavy turnover.

Speculative buying among the smaller domestic energy companies continued as investors sought the next bid target. Unocal, formerly Union Oil of California added $⅜ to $35¾.

Liquidity was drained from the short end of the credit markets by the Treasury's sale of bills. With the Federal Funds rate still higher than the market expected a month ago, bill rates continued to move up. Three month treasuries were discounted at 8.92 per cent and six months at 8.96 per cent.

In the bond market, prices slackened off in thin trading. The key long bond eased to 102½, a net ⅛ down, and was yielding 11.71 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Jan 19	Previous	Year ago
DJ Industrials	1265.60*	1269.37	1066.06
DJ Transport	602.59*	603.79	457.35
DJ Utilities	130.30*	131.31	124.49
S&P Composite	166.82*	167.55	145.27
LONDON			
FT Ind Ord	823.90	821.20	624.80
FT-A All-share	498.45	497.74	398.27
FT-A 500	532.44	532.03	434.64
FT-A Ind	490.77	490.58	404.35
FT Gold mines	537.00	525.80	656.30
FT Govt secs	83.21	83.23	78.92
TOKYO			
Nikkei-Dow	10,098.41	10,100.23	7968.68
Tokyo SE	763.26	761.47	584.56
AUSTRALIA			
All Ord.	778.70	769.60	538.30
Metals & Mins.	539.20	531.70	480.20
AUSTRIA			
Credit Aktien	55.60	55.59	49.51
BELGIUM			
Belgian SE	146.88	145.87	104.93
CANADA			
Toronto Composite	2580.42*	2575.30	2055.10
Montreal Industrials	449.74*	448.23	354.14
Combined	432.47*	431.44	338.48
DENMARK			
Copenhagen SE	220.24	217.98	103.62
FRANCE			
CAC Gen	168.40	168.80	102.60
Ind. Tendance	108.70	109.30	61.10
WEST GERMANY			
FAZ-Aktien	357.78	354.87	245.45
Commerzbank	1057.20	1049.70	739.90
HONG KONG			
Hang Seng	1021.40	1018.07	906.54
ITALY			
Banca Comm.	219.53	221.86	174.73
NETHERLANDS			
ANP-CBS Gen	169.30	169.70	104.40
ANP-CBS Ind	142.60	142.20	88.90
NORWAY			
Oslo SE	239.71	238.00	118.70
SINGAPORE			
Straits Times	1038.58	1040.31	765.53
SOUTH AFRICA			
Golds	812.6	797.80	1073.00
Industrials	973.5	973.10	820.70
SPAIN			
Madrid SE	106.23	107.75	86.19
SWEDEN			
J & P	1515.97	1515.63	1006.30
SWITZERLAND			
Swiss Bank Ind	384.20	384.10	296.20
WORLD	Jan 18	Prev	Yr ago
Capital Int'l	186.90	186.90	160.10

GOLD (per ounce)

	Jan 18	Prev
London	$374.875	$369.125
Frankfurt	$375.00	$368.75
Zürich	$374.75	$369.00
Paris (fixing)	$375.10	$368.29
Luxembourg (fixing)	$372.90	$386.00
New York (Jan)	$374.60 *	$369.30

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Jan 19	Previous	Jan 19	Previous
$	–	–	1.419	1.413
DM	2.791	2.8075	3.9625	3.97
Yen	233.2	233.6	331.25	330.5
FFr	8.5425	8.59	12.1175	12.135
SwFr	2.222	2.233	3.155	3.1575
Guilder	3.142	3.161	4.46	4.4675
Lira	1701.0	1709.0	2413.0	2414.0
BFr	56.96	57.41	80.85	81.1
C$	1.24575	1.24825	1.768	1.764

INTEREST RATES

Euro-currencies (offered rate)	Jan 19	Prev
£	9½	9½
SwFr	3¾	3¾
DM	6	6 1/16
FFr	13½	13½
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅞	9 15/16
6-month U.S.$	10 1/16	10
U.S. Fed Funds	9⅝*	10¼
U.S. 3-month CDs	9.4 *	9.35
U.S. 3-month T-bills	8.89*	8.89

U.S BONDS

Treasury	Jan 19* Price	Yield	Prev Price	Yield
10⅞ 1985	100 17/32	10.57	100 19/32	10.55
11⅜ 1991	101 5/32	11.50	101 5/32	11.50
11.75 1993	100 25/32	11.59	100 27/32	11.60
12 2013	102 22/32	11.67	102 19/32	11.68
Corporate AT & T	Jan 19* Price	Yield	Prev Price	Yield
10⅜ June 1990	93½	11.80	94⅛	11.70
3⅞ July 1990	68⅝	10.75	68.629	10.75
8⅜ May 2000	75¾	12.20	75¾	12.20
Xerox				
10⅞ March 1993	92½	12.00	93¾	11.85
Diamond Shamrock				
10⅞ May 1993	91⅛	12.10	91⅛	12.15
Federated Dept Stores				
10⅞ May 2013	86	12.40	87½	12.25
Abbot Lab				
11.80 Feb 2013	95¼	12.40	96	12.30
Alcoa				
12¼ Dec 2012	96	12.80	97¼	12.60

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	71–12	71–13	71–05	71–09
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.00	91.00	90.96	90.99
Certificates of Deposit (IMM) $1m points of 100%				
March	90.36	90.36	90.29	90.34
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.14	90.15	90.10	90.14
20-year Notional Gilt £50,000 32nds of 100%				
March	109–06	109–17	109–02	109–05

COMMODITIES

(London)	Jan. 19	Prev
Silver (spot fixing)	581.15p	568.70p
Copper (cash)	£957.50	£952.00
Coffee (Jan)	£2051.50	£2047.00
Oil (spot Arabian light)	$28.70	$28.60

LONDON

Underlying strength is displayed

LEADING EQUITIES proved their underlying strength in London, rallying convincingly from initial dullness. The FT Industrial Ordinary index closed 2.7 higher at another all-time peak of 823.9.

Confidence was bolstered by company trading announcements and news items. Trusthouse Forte finished 6p up at 202p. Beecham, another index constitutent, rose 8p to 323p, after a high of 328p; P&O Deferred jumped 18p to 280p and Bowater gained 21p to 291p.

The latest Government stock, £20-paid Treasury 10 per cent Convertible 1990, which was oversubscribed on application, rose to 20¾.

Recently quiet mining markets made good progress in much livelier business. South African golds improved throughout the day. Among the leading heavyweights Vaal Reefs added £1½ at £72 while Randfontein gained £1⅛ to £90.

Details, Page 35; Share information service, Pages 36-37.

HONG KONG

ANOTHER firm opening in Hong Kong, in continued reaction to the better-than-expected Government land auction results, was not sustained and shares ended only marginally ahead after a heavy day's trading.

The Hang Seng index, which advanced to 1,033.74 by midmorning, ended the day just 3.33 ahead on balance at 1,021.40.

The change in the market's fortunes came as small investors switched to second and third line stocks from blue chips, although leading issues still finished mostly higher on continued institutional demand.

Hongkong Bank gained 15 cents to HK$8.60, Hongkong Land 5 cents to HK$3.35 and Swire Properties 10 cents to HK$6.30. Cheung Kong, however, shed 10 cents to HK$9.25

SINGAPORE

THE CORRECTION phase which began in Singapore on Wednesday, continued yesterday leaving shares easier in moderate trade.

The Straits Times index finished 1.91 lower at 1,038.58. Trade was described as mostly trendless, with only a few smaller issues finding speculative demand.

Banks were mostly unchanged to lower although DBS added 10 cents to S$10.50. Properties and commodities were little changed while industrials ended mixed.

AUSTRALIA

STRONG BUYING demand from London and the domestic market took shares higher in Sydney with the selling overhang which had taken the market lower earlier in the week now absorbed.

The All Ordinaries index added 9.1 to 779.8 in fairly active turnover.

The upward trend came as something of a surprise to a market which thought the recent correction could continue in view of the currently easier gold price and the only marginal improvement in world copper prices.

BHP rose 10 cents to A$14 in its first trade and later added a further 15 cents to A$14.15. Umal Consolidated, which BHP is taking over to convert to a tax-free trust, rose 8 cents to A$3.88.

SOUTH AFRICA

AN OVERALL firmer trend in Johannesburg was led by gold shares which rose further in improved demand at the close, as the bullion price continued to rise.

Heavyweight Randfontein gained R3.50 to R161 and mines in the Gencor group followed the trend after quarterly reports, with Kinross up R1.25 at R26. Diamond share De Beers rose 10 cents at R10.

CANADA

A SLOW advance developed in **Toronto** with firm gains in resources during active trading. Golds, oils and papers all rose.

In **Montreal**, stocks also moved ahead with gains in industrials, banks and papers.

TOKYO

Shift of buying interest

WITH concern persisting over recent price rises, selective buying interest shifted in Tokyo yesterday to often-neglected issues in the precision instruments and chemicals sectors, and also to fluctuating high-priced stocks and bank shares, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones market average, which edged higher in the morning session, eased in the afternoon to finish the day off 1.82 points at 10,098.41.

Trading volume dwindled further to 400.79m shares from Wednesday's 479.65m because the big-capital steel and electric power issues lost popularity after Wednesday's active trading. Declining issues outnumbered advances, 415 to 321.

Prominent among gainers were Konishiroku Photo and Tokyo Sanyo Electric, both ranking high in their respective sectors. Konishiroku Photo soared Y34 to Y684, and Tokyo Sanyo Electric advanced Y30 to Y697 – the highest since the stock was listed on the exchange and compared with the previous high of Y693 on January 5. Sekisui Chemical also climbed Y21 to Y419.

High-priced stocks attracting buyers included Kokusai Denshin Denwa (KDD), up Y850 to Y17,540, Fanuc up Y560 to Y10,900 and Kyocera up Y110 to Y9,990. They all gained ground on hopes of stock splits.

Bank stocks once again returned to popularity with buying interest centring on leading banks. Sumitomo Bank scored the largest gain, rising Y63 to Y773, followed by Fuji Bank up Y32 to Y690

Most blue-chip stocks remained out of favour and mixed. Matsushita Electric Industrial shed Y20 to Y1,900, but Fuji Photo Film added Y30 to Y2,040.

The bond market moved higher, with medium and short-term issues leading the way, on reports that yesterday's auction of two-year government bonds carrying a coupon of 6.4 per cent brought the average bid price to over-par at a yield of 6.3 per cent.

The yield on the benchmark 7.5 per cent long-term government bond due January 1993 fell to 7.425 per cent from Wednesday's 7.45 per cent.

EUROPE

Dollar slide gives spur to Frankfurt

THE RENEWED decline of the dollar gave a spur to trading in **Frankfurt** and although shares ended higher on the day, they failed to sustain levels achieved by midsession.

There was, however, some lingering nervousness over the future of West German interest rates as the Bundesbank Council met. The Commerzbank index calculated at midsession reflected the day's highest levels adding 7.5 to 1057.2.

Considerable attention was paid to the chemical sector where Hoechst added DM 1.10 at DM 191.80 and Bayer DM 1 to DM 177.50. BASF, which aims to boost sales revenue from its information systems activities, added 40 pf to DM 174.90.

Banks were also in demand with Deutsche extending its recent advance by DM 6 to DM 360. Commerzbank rose DM 1.30 to DM 173.80 and Dresdner DM 70 pf to DM 173.20.

Motors were also firm, while among insurances Allianz scored one of the day's largest gains adding DM 7 to DM 807.

Bonds turned higher as investors returned to the market after Wednesday's pause. The Bundesbank was able to sell DM 101m of paper to steady the market compared with sales of only 2.6m on Wednesday.

Brussels again extended its record-setting run in very heavy trading. The Stock Exchange index added 1.01 to 146.88.

The market leader, Petrofina, which has been credited in recent days for pulling the market forward, slipped back on profit-taking attributed to sales by foreign banks. Petrofina ended down BFr 80 at BFr 6,960.

Solvay continued its advance of the previous session, adding BFr 190 to BFr 3,955.

Close scrutiny will be paid to the market today and on Monday – settlement day for the forward market – to see if recent price gains can be sustained.

Profit-taking left shares off the high achieved in **Amsterdam** on Wednesday, but not before some heavy early buying, particularly from abroad. This was partially attributed to the announcement that the Dutch financing deficit was lower than expected in 1983.

The ANP-CBS General index edged down 0.4 to 169.30.

In early trading, several bourse indices were at records before retreating but the insurance index held onto gains, adding 2.4 to a peak of 392.8. Amev reversed its recently higher trend, shedding 30 cents to Fl 178.50 and Aegon fell Fl 1.50 to Fl 138.

The major price movement of the day was seen in publisher Elsevier, which dropped Fl 12 to Fl 568 as profit-taking continued following last week's near Fl 80 rise.

Bond prices moved higher.

Zurich found no new incentives after its recent strength and shares ended mixed. Banks saw an easier tone with Union Bank down SwFr 25 to SwFr 3,540

Bonds closed steady, although an oversupply of new issues continues to weigh on the market.

Investors concentrated on position squaring in **Paris** ahead of the start of the new monthly trading account next week and shares ended lower. Wednesday's announcement of higher French unemployment in December also dampened enthusiasm.

In **Madrid**, the advance of the two previous sessions was continued but **Milan** moved lower in quiet trading as investors stayed on the sidelines to take stock of the lively upward trend of recent sessions. **Stockholm** also moved lower in moderate trade.

Prices at 3pm, January 19

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18⅝	8⅝	AAR	.44	2.4	22	59	18½	17¾	18	+⅛
52¾	30½	ACF	1.40	3.1	214	598	45¼	44½	44⅝	-⅞
22	18¾	AMCA	n			2	20¾	20¾	20¾	-¼
18⅝	14⅝	AMF	.50	3.2		580	15⅞	15⅝	15¾	
50⅞	50	AMF	pf.59k	1.2		2	50¼	50¼	50¼	+⅛
40⅞	18½	AMR Cp			19	9781	u41⅛	40⅛	40⅜	-¼
19⅝	16⅝	AMR	pf2.18	11		19	19⅝	19½	19⅝	+⅛
40⅜	24⅞	AMR	pf2.13	5.2		345	u41½	40⅝	40⅝	-½
26¼	23⅝	ANR	pf2.67	11		14	24⅜	24⅜	24⅜	+⅛
23⅞	20	ANR	pf2.12	10		2	20⅜	20⅜	20⅜	
16⅝	3¾	APL			20	9	13⅜	13⅜	13⅜	
65¼	38¾	ARA	2.05	3.9	12	126	53	52⅜	52⅝	-⅞
79⅝	50¼	ASA	3a	5.5		338	56	54⅝	54⅞	+1½
33¼	14⅛	AVX	s .32	1.2	41	167	27¼	25¾	26⅞	-⅛
53⅝	38⅝	AbtLab	1	2.2	17	924	46½	46¼	46½	-⅛
30¼	23¾	AccoW	n .60	2.1	21	15	29¼	29	29	-⅛
27½	17⅛	AcmeC	.40	1.5		733	27	26⅝	26⅞	+¼
14⅜	8⅞	AcmeE	.32b	2.8	53	90	11⅜	11	11¼	+⅛
25⅝	8⅝	AdmDg	.04	.2	13	7	17½	17½	17½	+¼
18¾	15	AdaEx	2.11e	13		82	17	16¾	16⅞	-⅛
19¾	7⅛	AdmMl	.24	1.4	8	45	17⅛	16⅞	17	-⅛
18⅝	9¼	Advest	.12	.9	8	30	13	12⅞	13	+¼
37½	15⅞	AMD	s		44	1924	36⅛	35¼	35¾	
24⅝	13¼	Aerflx	s		16	51	16¼	15⅞	16	-⅛
43½	32⅞	AetnLf	2.64	7.3	9	918	36½	35⅞	36	-⅛

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, January 19

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6 3/8	1 1/4	ATI				170	2	1 7/8	1 7/8	
12 3/4	3 1/2	AcmePr			38	3	6 3/4	6 3/4	6 3/4	
19 1/2	12 3/4	AcmeU	a.32	2.0	17	4	15 3/4	15 5/8	15 3/4	+ 1/4
14 3/4	5 7/8	Acton	s		10	148	14	13 1/2	13 7/8	+ 1/4
12	6 7/8	Actons	1t	13.	27	150	8 1/4	7 7/8	8	− 1/8
6 1/2	1 1/2	Acm	wt			17	3 1/4	3	3	− 1/4
8	1 7/8	AdmRs				12	3 1/4	3 1/4	3 1/4	− 1/4
30 5/8	21 7/8	AdRusl	s.10	.4	16	15	23 5/8	23 1/2	23 1/2	
28 7/8	15	Adobe	.24	1.1	15	49	21 5/8	21 1/4	21 1/4	− 1/4
5 1/8	2 1/8	AegisCp			19	31	3 3/8	3 3/8	3 3/8	− 1/8
7	4	Aeronca			8	40	6 1/4	6	6	
32 1/2	17 3/8	AfilHsp	.36	1.6	10	2	23 3/4	23 3/4	23 3/4	− 1/4
17 1/2	6 3/8	AirSix	.08e	.5	8	7	11 1/2	11 1/2	11 1/2	+ 1/2
15 1/2	5 7/8	AirExp				26	7 1/4	7 1/4	7 1/4	+ 1/4
6 1/8	4	Alamc	n		9	132	5	4 1/4	4 1/4	− 1/2
23 3/4	6 7/8	AlbaW	.16a	1.1	9	25	13 1/2	13 1/4	13 1/4	
12 1/4	4 1/8	AlnTr	s			4	4 1/8	4 1/8	4 1/8	
10 1/2	5 7/8	AlohaA	.48r	6.1		9	7 3/4	7 3/4	7 3/4	+ 1/4
28 7/8	17 1/2	Alphaln	.05	.2	28	10	20 3/4	20 1/4	20 1/4	+ 1/4
2 7/8	1 1/8	Altex				31	1 1/2	1 1/2	1 1/2	
37	28 1/4	Alcoa	pf3.75	11.		z150	33 1/4	33 1/4	33 1/4	− 1/2
32 1/2	14 1/4	AlzaCp				90	17 1/2	17 3/8	17 3/8	− 1/8
29 3/8	15	Amdhl	s.20	1.0	31	889	20	19 5/8	19 7/8	+ 1/2
25 1/2	7 1/2	Amedco	.08	.5	20	19	16 1/8	15 7/8	16	
7 1/2	4	AmBlt	.15	2.5	16	20	6	6	6	− 1/8
8 7/8	2	AmCap				136239	8 1/2	7 7/8	8 1/4	+ 1/2
44 1/4	18 3/4	AExp	wt			16	22	21 1/4	21 1/4	− 1/2
12 7/8	5 1/2	Amrnel			2	41	6 3/8	6 1/4	6 3/8	
19 3/4	12	AMzeA	.52	2.9	58	1	18 1/4	18 1/4	18 1/4	+ 1/8
19 1/4	2 1/4	AMBld	s			151	2 7/8	2 1/2	2 7/8	+ 1/8
39 1/2	27	AMotin	.30	.9	13	411	35	34 3/4	34 7/8	
60 3/4	47 1/4	AmPetf	3.20	5.6	14	12	59 5/8	58 5/8	58 7/8	−1 1/4
8 7/8	4 1/4	AmPlan				48	7 1/4	[illegible]	[illegible]	[illegible]

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 32

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
65 3/4	31 1/4	Whiteh			14	13	40 1/2	40 1/8	40 1/4	− 1/4
34 1/2	17 3/4	Whittak	1.60	8.4	8	366	19 1/4	18 5/8	19 1/8	+ 3/8
11 3/4	4 3/4	Wiebldt		5.3		6	8 3/4	8 1/2	8 1/2	+ 1/8
30 3/4	17 5/8	Willam	1.20	4.1	35	359	29 5/8	29	29 1/4	− 1/4
17	7 7/8	WlmEl			7	260	9	8 1/2	9	+ 3/8
11 1/2	6	WilshrO	.04e	.5		55	7 1/2	7 3/8	7 1/2	
37 3/4	25	WinDx	s1.56	5.4	11	70	29 1/2	29	29	
23 7/8	10 1/2	Winnbg	.20a	1.5	19	218	13 1/4	13 1/8	13 1/4	
12 7/8	5 1/2	WinterJ			29	2	10	9 7/8	10	+ 1/8
28 1/2	22 3/4	WiscEP	2.10	7.6	7	1818	27 7/8	27 1/2	27 3/4	

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued from Page 33

NEW YORK PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued from Page 33

CANADA

Stock	Jan. 18	Jan. 17
AMCA Intl.	26	26
Abitibi	25¾	25¾
Agnico Eagle	15⅝	15⅝
Alberta Energy	19¼	18¾
Alcan Aluminium	50	50¼
Algoma Steel	29	29½
Asbestos	10¼	10¼
Bk. Montreal	28	27¾
Bk. Nova Scotia	45	45
Bell Canada	32½	32¼
Bombardier	18⅛	18¼
Bow Valley	24⅜	24⅞
BP Canada Res	22¼	22¼
Brascan A	41⅞	42⅛
Brinco	2.78	2.75
B.C. Forest	14½	14
CIL Inc	32	32
Cadillac Fairview	10⅞	10¾
Campbell Red Lk	31¼	31⅛
Can Ciment Pf.	15½	15½
Can NW Energy	31¼	31
Can Packers	29	29
Can Trustco	49½	49¼
Can Imp Bank	30⅞	30¼
Can Pacific	52¾	52½
Can. Pac. Ents	24¾	24½
Can Tire A	12⅞	12½
Carling O'Kfe	22¼	22¾
Chieftain	16½	16
Cominco	59¼	59⅜
Cons Bathst A	28½	28
Copper Lake	2.10	2.10
Coseka Res	3.75	3.80
Costain	10⅝	10⅝
Denison Mines	46	45
Dofasco	60¼	61
Dome Mines	15⅝	15¾
Dome Petroleum	3.80	3.75
Dominion Strs	19½	19
Domtar	34	33
Falconbridge	73½	73¼
Genstar	30¼	30¼
Giant Yknife	21	21½
Gt West Life	2.75	2.75
Gulf Canada	17⅝	17¼
Hawk Sid. Can	19½	18½
Hudson's Bay	23⅞	22½
Husky Oil	10¾	10¼
Imasco	35	35
Imp Oil A	36	35¾
Inco	18½	18½
Indal	13⅝	13½
Inter Pipe	30½	30⅝
LAC Minerals	30⅛	31
Macmil. Bloedel	35¼	34½
Marks & Spencer	15¼	15¼
Massey Ferg.	6½	6⅝
McIntyre Mines	36½	36
Mitel Corp.	19	18⅝
Molson A	23	22⅞
Moore Corp.	53	53
Nat. Sea Prods A	6⅛	6⅝
Noranda Mines	27	26½
Norcen Energy	17¼	17¼
Nthn. Telecom	48⅝	47½
Nov. Alberta	7½	7½
Numac Oil	14¼	14⅛
Oakwood Pet	9¼	9
Pan Can. Pet	24½	24¼
Patino	9½	9½
Placer Dev	21⅞	21¾
Power Corp.	21⅝	21½
QuebecSturgeon	7¾	7⅞
Ranger Oil	12⅛	12¾
Reed Stenhs A	12½	12¼
Rio Algom	17½	18¼
Royal Bank	34½	34⅞
Royal Trusco A	29⅝	29⅝
Sceptre Res.	5¾	5⅝
Seagram	46⅞	46½
Shell Can Oil	24½	24½
Simpson Sears A	9⅞	10
Stelco	33⅜	33⅛
Teck B	10¾	10¾
Texaco Canada	40	40⅛
Thomson News A	40½	40¼
Toronto Dom Bk	17⅛	17⅛
Transalta	22⅝	22¾
Trans Can Pipe	31⅞	31½
Walker Hiram	28¼	28⅜
Westcoast Tra.	15⅛	15¼
Weston Geo	68½	67

AUSTRIA

Jan. 19	Price Sch%	+ or —
Creditanstalt	212	...
Goesser	324	+4
Interunfall	410	...
Landerbank	216	...
Perlmooser	322	—1
Steyr-Daimler	158	...
Veitscher Mag	219	...

BELGIUM/LUXEMBOURG

Jan 19	Price Frs.	+ or —
ARBED	1,300	+4
Bang Int A Lux	5,000	...
Bekaert B.	3,650	—50
Ciment BR	2,200	—120
Cockerill	199	—1
Delhaize	5,200	...
EBES	2,450	+30
Electrobel	6,590	—190
Fabrique Nat	2,380	+80
GB Inno BM	3,450	+90
GBL (Brux)	2,770	—30
Gevaert	3,050	+80
Hoboken	6,210	+60
Intercom	1,815xr	+25
Kredietbank	7,040	+30
Pan Hldgs.	9,550	+100
Petrofina	6,960	—80
Royale Belge	7,600	+100
Soc. Gen. Banq	3,255	+55
Soc. Gen. Belge	1,875	+15
Sofina	5,820	+20
Solvay	3,955	+190
Traction el	3,500	+60
UCB	6,150	+30
Vieil Mont	1,410	+40

DENMARK

Jan. 19	Price Kr. %	+ or —
Aarhus Olie	465	...
Andelsbanken	347	...
Baltic Skand	659	+14
CopHandelsbank	321	...
D. Sukkerfab	600	+5
Danske Bank	358	...
East Asiatic	201	+8
Forende Brygg	1,235	...
Forende Damp	183	...
GNT Hldg.	680	+10
I.S.S.B.	700	+10
Jyske Bank	7 5	+25
Novo Ind	2,910	—25
Privatbanken	345	+5
Provinsbanken	360	+5
Smidth (F.)	291	+4
Sophus Berend	1,385	+65
Superfos	501	+7

FRANCE

Jan. 19	Price Frs.	+ or —
Emprunt 4½% 1973	1,839	—4
Emprunt 7% 1973	9,160	+70
CNE 3%	3,240	+10
Air Liquide	547	—10
BIC	413xc	—3
Bouygues	828	+18
BSN Gervais	2,765	—80
CIT-Alcatel	1,508	—7
Carrefour	1,511	+6
Club Mediter'n	825	—5
CFAO	591	+8
Cie Bancaire	447.5	+2.5
Cofimeg	230	+3.1
Creusot Loire	48	—0.3
Darty	835	—14
Dumez	890	+43
Eaux (Cie Gen)	555	—35
Elf-Aquitaine	192	+4
Gen. Occidental	668	—3
Imetal	69	+0.2
Lafarge Coppee	335	—4
L'oreal	2,316	—54
Legrand	2,105	+20
Maisons Phenix	645	...
Matra	1,705	—5
Michelin B	953	—17
Midi (Cie)	1,485	—24
Moet-Hennessy	1,490	—30
Moulinex	109.5	+1.4
Nord Est	52.6	—0.3
Pernod Ricard	805	—19
Perrier	539	+34
Petroles FR	198	+6
Peugot-SA	248	—9.2
Porcain	72	—0.5
Printemps Au	154	—2
Radiotechs	394	+1.5
Redoute	1,221	+1
Roussel-Uclaf	840	—11
Schneider	105	+0.1
Sefimeg	268	...
Skis Rossignol	1,410	—20
Telemech Elect	1,585	—15
Thompson (CSF)	281	—7
Valeo	340	—18

GERMANY

Jan. 19	Price Dm.	+ or —
AEG-Telef	96	—1.6
Allianz Vers	807	+7
BASF	174.9	+0.4
Bayer	177.5	+1
Bayer-Hypo	294.5	+4
Bayer-Verein	333	+5
BHF-Bank	290.5	+2.5
BMW	421.5	+0.5
Brown Boveri	226	—0.3
Commerzbank	175.8	+1.3
Conti Gummi	131	—2.3
Daimler-Benz	618xr	+4.1
Degussa	378	+4.3
Demag	146	...
D'sche Babcock	185.5	+3.5
Deutsche Bank	360	+6
Dresdner Bank	173.2	+0.7
GHH	158	—0.8
Hochtief	480	...
Hoechst	191.8	+1.1
Hoesch Werke	118.5	+0.6
Holzmann (P.)	432	+3
Horten	188.5	+3.5
Kali und Salz	222.5	+3
Karstadt	283	+1.5
Kaufhof	269	+2
KHD	269	+1.5
Kloeckner	49.8	+0.9
Krupp	79.5	+1.5
Linde	405	+4
Lufthansa	164	+1
MAN	140.1	+0.6
Mannesmann	149	...
Mercedes Hld	534.5	+4
Metallgesell	225	+1
Muench Rueck	1155	...
Preussag	274.5	+0.5
Rhein West Elect	161.5	—0.7
Rosenthal	290	+1.6
Schering	378.8	+3.3
Siemens	384.8	...
Thyssen	88	+0.5
Varta	180	...
Veba	172.5	+1.7
V.E.W	126	—0.3
Verein-West	311	...
Volkswagen	223.5	+1.5

ITALY

Jan. 19	Price Lire	+ or —
Banca Com'le	33,090	...
Bastogi-IRBS	163.0	—14.2
Centrale	1,630	—40
Credito Varesino	4,680	—119
Fiat	3,789	+13
Finsider	48.4	—1.6
Generale (Assic)	38,050xd	—500
Invest	3,480	+60
Italcementi	44,000	...
Montedison	243.4	—2.9
Olivetti	4,110	+30
Pirelli Co	3,315	+55
Pirelli Spa	1,800	—20
Snia BPD	1,512	—14
Toro Assic.	14,410	—190
do. Pref.	11,300	—10

NETHERLANDS

Jan. 19	Price Fls	+ or —
ACF Holding	205	+2.5
Aegon	138	—1.5
Ahold	228	+3.7
AKZO	107.5	—1.8
ABN	411	—3.5
AMEV	170.5	—0.3
AMRO	73.8	—0.2
Bredero Cert	214	...
Boskalis Westm	49	+0.3
Buehrmann-Tet	65	+0.5
Calland Hldgs	37.5	—0.2
Credit Lyon'is Bk	64.4	—0.2
Elsevier NDU nv	568	—15
Gist. Brocades	174	...
Heineken	144.5	—1
Hoogovens	53.4	—0.6
Hunter Douglas	24	+0.1
Int-Mueller	35.7	—0.3
KLM	214.3	—1.2
Naarden Intl	48	...
Nat Ned Cert	226	—1.5
Ned.Credit Bank	38.5	—0.5
Ned Mid Bank	171.5	—3
Nedlloyd	125.6	—3.2
Oce Grinten	265	+3.5
Ommeren (Van)	31.9	—0.2
Pakhoed	69.5	+0.2
Philips	48.1	—0.4
Rijn Schelde	4.9	+0.7
Robeco	349.3	+0.3
Rodamco	130.6	+0.1
Rolinco	356.2	—0.5
Rorento	203.4	—0.8
Royal Dutch	145.9	—1.1
Unilever	275	—3
VMF Stork	118.6	...
VNU	160	—2.3
West Utr Bank	135	+10

NORWAY

Jan. 19	Price Kroner	+ or —
Bergens Bank	167	+3
Borregaard	289	+4
Christiania Bk	165	...
Den Norsk Credit	175.5	+2.5
Elkem	138	+2
Norsk Data	308	+11
Norsk Hydro	556	+3.5
Storebrand	205	+2

SPAIN

Jan. 19	Price Pta%	+ or —
Bco Bilbao	267	+6
Bco Central	317	+7
Bco Exterior	200	+3
Bco Hispano	225	+2
Bco Santander	279	+2
Bco Vizcaya	335	+5
Dragados	122	—3
Hidrola	45.2	+1.2
Iberduero	43	...
Petroleos	104.7	—1.3
Telefonica	70.7	...

SWEDEN

Jan. 19	Price Kronor	+ or —
AGA	360	...
Alfa-Laval	271	—1
ASEA (Free)	470	+20
Astra (Free)	550	—10
Atlas Copco	124	—1
Boliden	388	—2
Cardo	465	+22
Cellulosa (Free)	173	+1
Electrolux B	260	...
Ericsson	381	...
Esselte (Free)	255	—5
Mo Och Domsjö	450	+10
Pharmacia (Free)	335	—5
Saab-Scania	318	+6
Sandvik B (Free)	315	—5
Skandia	430	+7
Skan Enskilda	325	...
SKF B	173	+1
St. Kopparbergs	735	—5
Sven Handelsbn.	223	...
Swedish Match	295	+2
Volvo B (Free)	448	...

SWITZERLAND

Jan. 19	Price Frs.	+ or —
Alusuisse	927	+2
Bank Leu	4,420	—50
Brown Boveri	1,470	—10
Ciba Geigy	2,315	+5
do. (Part Certs)	1,895	+5
Credit Suisse	2,340	—15
Elektrowatt	2,780	—20
Fischer (Geo.)	740	—2
Genevoise	3,850	+100
Hoff-Roche PtCts	108,000	...
Hoff-Roche 1/10	10,750	—50
Jacobs Suchard	6,650	+50
Jelmoli	1,910	+10
Landis & Gyr	1,560	—10
Nestle	5,065	...
Oer-Buehrle	1,440	+5
Pirelli	258	...
Sandoz (Br)	7,450	—50
Sandoz (PtCts)	1,180	+5
Schindler (PtCts)	460	...
Swissair	1,000	+5
Swiss Bank	337	—1
Swiss Reinsce.	8,150	—25
Swiss Volksbk.	1,560	—15
Union Bank	3,540	—25
Winterthur	3,215	+10
Zurich Ins.	18,550	+55

AUSTRALIA

Jan. 19	Price Aust $	+ or —
ANZ Group	5.64xc	+0.1
Acrow Aust.	1.48	...
Alliance Oil D.	0.8	+0.05
Ampol Pet.	1.87	+0.02
Aust Cons Ind	1.87	...
Aust. Guarant.	3.0	+0.05
Aust. Nat. Inds.	2.66	...
Aust. Paper	2.42	+0.02
Bell Group	8.36	—0.04
Bond Corp Hldgs	1.55	...
Boral	3.4	—0.08
B'Ville Copper	2.8	+0.08
Brambles Inds	3.22	+0.04
Bridge Oil	3.46	+0.18
BHP	14.15	+0.25
CRA	6.84	+0.04
CSR	4.28	+0.12
Carlton & Utd	3.32	...
Castlemaine	5.5	+0.08
Coles (G.J.)	3.88	—0.02
Comalco	2.85	+0.01
Consolidated Pet	0.75	+0.05
Costain	1.35	—0.05
Dunlop	1.68	+0.05
E.Z. Inds.	6	+0.1
Elders IXL	4.45	+0.05
Energy Res.	1.75	—0.05
Gen Prop Trust	2.22	+0.02
Hardie (J.)	3.7	+0.02
Hartogen Energy	2.73	+0.01
HeraldW'y Times	5.2	+0.1
ICI Aust	2.4	—0.02
Jimb'lana50cFP	0.27	...
Kiaora Gold	0.15	—0.01
Lend Lease	4.9	+0.02
MIM	3.62	+0.08
Mayne Nickless	2.8	—0.05
Meekatharra	0.85	+0.1
Myer Emp	2.15	+0.08
Nat. Com. Bk.	3.85	+0.05
News	12.5	+0.4
Nicholas Kiwi	3.28	+0.03
North Bkn Hill	3.25	+0.15
Oakbridge	1.04	+0.02
Otter Expl.	0.45	—0.05
Pancon	1.24	+0.08
Pioneer Conc	1.88	+0.08
Reckitt & Coln	2.82	—0.02
Repco	1.59	...
Santos	8.06	+0.14
Smith (H.)	4.4	+0.1
Southland Min'g.	0.29	...
Spargos Expl.	0.3	...
Thos. Natwide	2.42	...
Tooth	5	—0.02
UMAL Cons.	3.68	+0.08
Vamgas	3.55	...
Western Mining	4.16	+0.04
Westpac	3.98	+0.05
Woodside Petrol.	1.11	+0.01
Woolworths	2.75	—0.05
Wormald Intl.	3.05	...

HONG KONG

Jan. 19	Price H.K.$	+ or —
Bank East Asia	23.1	+0.1
Cheung Kong	9.85	—0.2
China Light	12.9	+0.1
Hang Lung Devel	2	+0.01
Hang Seng Bank	45.5	...
HK Electric	6.15	+0.1
HK Kowloon Wh.	4.27	+0.07
HK Land	3.35	+0.05
HK Shanghai Bk.	8.6	+0.15
HK Telephone	38.0	...
Hutchison Wpa.	16.6	...
Jardine Math	15	+0.1
New World Dev.	3.45	+0.1
Orient O'seas	2.52	...
O'seas Trust Bk.	3.35	+0.1
SHK Props	6.5	+0.1
Swire Pac A	18.2	—0.1
Wheel'k Mard A	3.57	—0.05
Wheel'k M'time	1.54	...
World Int. Hldgs.	1.6	+0.02

JAPAN

Jan. 19	Price Yen	+ or —
Ajinomoto	1,050	—20
Alps Electric	2,580	+10
Amada	1,070	+10
Asahi Chem	448	...
Asahi Glass	714	—6
Bridgestone	515	—3
Canon	1,510	+10
Casio Comp	1,470	+20
Chugai Pharm	1,010	+10
Citizen	860	+1
Daiei	672	+4
Dai Nippon Ptg	948	+7
Daiwa House	533	+6
Ebara	360	+2
Eisai	1,380	—20
Fanuc	10,900	+560
Fuji Bank	690	+32
Fuji Film	2,040	+30
Fujisawa	871	—4
Fujitsu	1,290	+20
Green Cross	1,540	...
Hasegawa	425	—10
Heiwa Real Est.	620	—5
Hitachi	817	+5
Hitachi Credit	1,590	—10
Honda	1,100	+30
House Food	830	...
Hoya	1,500	+30
Itoh (C)	320	...
Ito-Yokado	2,100	+20
Iwatsu	1,980	—10
JACCS	370	+1
JAL	3,340	+240
Jusco	855	...
Kajima	320	—2
Kao Soap	710	+10
Kashiyama	720	...
Kirin	543	—7
Kokuyo	935	+4
Komatsu	506	—4

JAPAN (continued)

Jan. 19	Price Yen	+ or —
Konishiroku	684	+34
Kubota	330	—9
Kumagai	451	—6
Kyoto Ceramic	9,920	+110
Maeda Const.	528	+2
Makino Milling	1,370	+30
Makita	1,340	—30
Marubeni	290	—1
Marudai	671	—5
Marui	1,440	—20
MEI	1,900	—20
M'ta Elec Works	660	—3
M'bishi Bank	686	+26
M'bishi Corp.	553	—9
M'bishi Elec	414	—1
M'bishi Estate	477	—7
MHI	255	—3
Mitsui Co	352	—9
Mitsui Estate	755	...
Mitsukoshi	370	...
NGK Insulators	569	—5
Nihon Cement	220	...
Nippon Denso	1,500	—20
Nippon Elect	1,450	—30
Nippon Express	326	+4
Nippon Gakki	637	+2
Nippon Kokan	154	—1
Nippon Oil	980	—3
Nippon Seiko	390	+5
Nippon Shimpan	775	+10
Nippon Steel	152	—2
Nippon Suisan	323	...
NTV	12,050	+150
Nippon Yusen	262	—11
Nissan Motor	750	—1
Nisshin Flour	447	+6
Nisshin Steel	189	—4
Nomura	777	—3
Olympus	1,040	+10
Omron Tateisi	1,940	—30
Orient Leasing	2,700	—30
Pioneer	3,700	+40
Renown	763	+3
Ricoh	1,050	—10
Sankyo	886	—8
Sanyo Elect.	553	—1
Sapporo	430	—5
Sekisui Prefab	610	—8
Seven-Eleven	8,560	—40
Sharp	1,350	+10
Shimadzu	552	...
Shionogi	755	+12
Shiseido	1,040	...
Sony	3,550	—40
Stanley	790	+15
S'tomo Elect.	856	—4
S'tomo Marine	305	+3
S'tomo Metal	175	—1
Taihei Dengyo	564	...
Taisei Corp	230	—3
Taisho Pharm.	962	+26
Takeda	774	+14
TDK	6,420	—20
Teijin	398	...
Teikoku Oil	690	...
Tokio Marine	651	—11
TBS	796	—12
Tokyo Elect Pwr.	1,290	—10
Tokyo Gas	175	—3
Tokyo Sanyo	697	+30
Tokyo Style	980	+5
Tokyu Corp	328	...
Toppan Print	697	—6
Toray	427	...
Toshiba Elect.	414	+3
TOTO	580	...
Toyo Seikan	729	+19
Toyota Motor	1,390	...
Victor	3,190	+50
Wacoal	760	+20
Yamaha	540	—14
Yamanouchi	1,410	...
Yamazaki	756	—19
Yasuda Fire	262	—8
Yokogawa Bdge.	468	+1

SINGAPORE

Jan. 19	Price $	+ or —
Boustead Bhd.	3.12	—0.02
Cold Storage	6.15	+0.05
DBS	10.5	+0.1
Fraser & Neave	8.8	...
Genting	5.4	—0.1
Haw Par.	2.68	...
Inchcape Bhd.	3.08	...
Keppel Shipyard	3.78	—0.02
Malay Banking	9.3	+0.05
Malay Brew.	7.1	...
Multi Purpose	2.27	+0.08
OCBC	11.6	...
OUB	4.86	...
Sime Darby	2.84	—0.02
Straits St'mship.	1.91	...
Straits Trdg.	6.2	—0.05
UOB	5.9	+0.05

SOUTH AFRICA

Jan. 19	Price Rand	+ or —
Abercom	2.90	+0.05
AE CI	8.65	...
Anglo Am Coal	24.00	+0.25
Anglo Am Corp.	20.00	+0.25
Anglo Am Gold	129.5	—0.5
Barclays Bank	19.25	...
Barlow Rand	15.5	+0.1
Buffels	60.0	+0.5
CNA Gallo.	5.0	+0.1
Currie Finance	5.0	...
De Beers	10.0	+0.1
Driefontein	39.5	+1.25
FS Geduld	41.5	+0.5
Gold FieldsS.A.	24.0	+0.5
Highveld Steel	5.20	...
Nedbank	16	...
OK Bazaars	20.25	...
Protea Hldgs.	3.55	...
Rembrant	23.0	...
Rennies	13.50	...
Rustenburg	12.85	+0.20
Sage Hldgs.	6.75	...
SA Brews.	7.40	...
Smith (C.G)	24.25	...
Tongaat Huletts.	11.00	...
Unisec	5.4	...

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 12	Jan. 11	1983-84 High	1983-84 Low	Since Compil'tn High	Since Compil'tn Low
♦ Industr'ls	1269.37	1271.46	1267.5	1270.10	1279.31	1277.82	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	71.10	71.03	70.96	70.91	70.80	70.61	77.84 (6/5)	60.85 (6/8)	—	—
Transport	603.79	603.65	600.54	602.96	606.94	609.56	612.63 (9/1/84)	434.24 (3/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	131.31	131.66	130.85	134.30	134.61	133.82	140.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	92.75	92.75	93.79	101.79	99,410	98,668	—	—	—	—

♦ Day's high 1280.36 (1276.75) low 1261.93 (1260.89)

	Jan. 6	Dec. 30	Dec. 23	Year ago (approx)
Industrial div. yield %	4.23	4.48	4.51	5.03

STANDARD AND POORS

	Jan. 18	Jan. 17	Jan. 16	Jan. 13	Jan. 12	Jan. 11	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industr'ls	188.8	189.19	188.46	187.94	188.96	189.12	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	167.55	167.85	167.18	167.02	167.75	167.79	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Jan. 11	Jan. 4	Dec. 28	Year ago (approx)
Industrial div. yield %	3.66	3.70	3.72	4.35
Industrial P/E ratio	13.74	13.64	13.67	11.30
Long Gov. Bond yield	11.66	11.74	11.76	10.41

N.Y.S.E. ALL COMMON

Jan. 18	Jan. 17	Jan. 16	Jan. 13	1983-84 High	1983-84 Low
97.52	97.05	96.75	96.66	99.63 (10/10)	80.93 (24/1/83)

Rises and Falls	Jan. 18	Jan. 17	Jan. 16
Issues Traded	2,021	2,044	2,032
Rises	787	893	722
Falls	820	722	874
Unchanged	414	429	436
New Highs	76	58	56
New Lows	12	10	16

MONTREAL

	Jan. 18	Jan. 17	Jan. 16	Jan. 13	1983-84 High	1983-84 Low
Industrial	448.93	449.08	444.75	448.22	462.90 (20/3)	351.10 (4/1/83)
Combined	431.44	429.2	[illegible]	[illegible]	[illegible]	[illegible]
TORONTO Composite	2575.3	2569.1	2542.9	2585.4	2598.2 (20/6)	1949.8 (4/1/83)

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	778.8	769.6	765.8	769.8	787.9 (9/1/84)	467.8 (4/1/83)
Metals & Mnls. (1/1/80)	538.2	551.7	527.8	555.2	614.2 (5/8)	411.8 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	55.60	55.59	55.44	55.53	59.8 (5/5)	46.48 (15/2)
BELGIUM						
Belgian SE (31/12/63)	146.88	145.67	144.25	142.04	146.88 (19/1/84)	100.50 (4/1/83)
DENMARK						
Copenhagen SE (3/1/83)	220.24	217.38	218.08	221.85	225.54 (10/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	168.4	168.5	167.2	167.6	169.8 (18/1/84)	96.7 (3/1/83)
Ind Tendance (30/12/83)	108.7	109.5	109.1	108.3	109.3 (16/1/84)	99.4 (5/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	357.79	354.97	355.79	351.82	359.98 (9/1/84)	241.89 (26/1/83)
Commerzbank (1/12/53)	1057.2	1049.7	1052.0	1040.5	1065.4 (9/1/84)	727.9 (25/1/83)
HONG KONG						
Hang Seng Bank (31/7/64)	1021.40	1015.07	989.72	975.17	1102.64 (21/7)	690.06 (4/10)
ITALY						
Banca Comm Ital. (1972)	219.55	221.88	221.28	219.04	221.86 (18/1/84)	169.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	10098.41	10100.25	10155.67	(c)	10155.67 (17/1/84)	7803.18 (25/1/83)
Tokyo SE New (4/1/68)	763.28	761.47	765.83	(c)	765.28 (18/1/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	169.3	169.7	166.6	164.2	169.7 (18/1/84)	109.1 (4/1/83)
ANP-CBS Indust (1970)	142.8	142.2	139.4	137.4	142.8 (18/1/84)	85.5 (4/1/83)
NORWAY						
Oslo SE (4/1/83)	259.71	258.0	254.85	254.98	259.71 (18/1/84)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	1039.58	1040.51	1042.89	1042.56	1043.58 (17/1/84)	712.39 (5/1/83)
SOUTH AFRICA						
Gold (1958)	812.6	797.8	792.9	806.4	1098.5 (1/2)	681.4 (1/11)
Industrial (1958)	973.5	974.1	981.0	995.6	1008.4 (9/1/84)	704.9 (3/1/83)
SPAIN						
Madrid SE (30/12/83)	108.25	107.78	106.58	(c)	108.25 (18/1/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/58)	1515.97	1515.68	1523.05	1526.5	1550.25 (12/1/84)	896.19 (3/1/83)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WORLD						
Capital Intl. (1/1/70)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

**Saturday January 7: Japan Nikkei-Dow 9,962.4. TSE 743.17.

Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

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LONDON STOCK EXCHANGE

MARKET REPORT

Equities rally impressively after early indecision and index closes at new record

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6
Jan 30	Feb 9	Feb 10	Feb 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

Leading equities gave proof yesterday of their underlying strength, rallying convincingly from initial dullness to advance further into uncharted territory. The Financial Times Industrial Ordinary share index showed a loss of 3.5 at 10 am, but progressively recovered to stand 3.1 up at 2 pm before closing 2.7 higher at another all-time peak of 823.9.

Blue chip industrials were marked a shade lower at the outset because dealers anticipated that fresh investment would be deterred by Wall Street's continued indecision. But the early reaction in the 30-share index was more a reflection of weakness in constituent, Tate and Lyle than anything else. The latter surrendered Wednesday's gain of 22 following adverse comment on the preliminary results to close 23 down at 414p.

The absorption of early profit-taking, however, signalled a resumption of U.K. institutional support and equity values were quick to respond. Although demand was very selective and not on Wednesday's impressive scale it compensated for yesterday's reluctance of U.S. buyers to commit fresh funds of any size.

The improving trend continued throughout the afternoon with confidence bolstered by company trading announcements and news items. Excellent annual profits and a proposed 100 per cent scrip issue from Trust House Forte triggered a rally from 192p to 202p, 6 up on balance.

Beecham, another index constituent, fared well, rising 8 to 323p, after 328p, on institutional buying ahead of an analysts' meeting with group officials on Monday. P. and O. Deferred were also prominent with a jump of 18 to 260p as hopes increased that the Monopolies Commission would give clearance to the Trafalgar House bid. Bowater attracted aggressive late U.S. support and bounced up 21 to 291p.

Features were plentiful among secondary issues with speculative activity intense in some cases. Early attention was focused on the oil pitches where the extremely volatile Irish offshore explorers suffered an all-too-familiar attack of nerves. Atlantic Resources succumbed to Irish selling generated by renewed rumours about the results of appraisal drilling offshore Southern Ireland. A well, in which A.R. has a 33 per cent stake, was said to be dry and A.R. dropped to 550p before rallying to close 85 down on balance at 615p.

Elsewhere, bid situations actual or otherwise provided many features. Stylo moved up sharply in response to the bid of 325p per share from Harris Queensway and Downs Surgical soared on news that Smiths Industries had acquired a near-14 per cent stake and intended to bid for the outstanding shares.

The latest Government stock, £20-paid Treasury 10 per cent Convertible 1990, which was over-subscribed on application, got away to a flying start in first-time dealings. A large trade built up as investors switched funds from other Gilts and, with little evidence of stag selling, the price rose to 20¾. Demand was largely from unsuccessful applicants and institutional operators who had been scaled down on allotment.

Existing Gilt-edged securities tended to trade quietly but further demand for specialist low-coupon stocks exhausted official supplies of the recently-created tranches of Treasury 3 per cent 1986 and 1987 issues; the former ran out at 89⅛ and the latter at 83¾.

A lively business developed in BAT Industries 12½ per cent Loan 2003-08, issued in connection with the takeover of Eagle Star Insurance; the stock rose from an opening 101½ to close at 102. The Floating Rate Capital Notes 1986-90 staged a less successful debut but rallied from £98¼ to end at £99¼.

Clearers good again

Continuing buying ahead of the dividend season, which is scheduled to start early next month, took the major clearing banks to fresh peaks for the year. Lloyds advanced 14 more to 577p and NatWest gained 11 to 708p, while Barclays put on 8 to 553p. Once again, however, Midland failed to participate; the close was only a couple of pence dearer at 425p still reflecting concern over the troubles of U.S. subsidiary, Crocker National. Elsewhere, Allied Irish hardened 2 to 157p; 3m shares were successfully placed by a holder who had received them in exchange for a holding in Insurance Corporation of Ireland.

A rising market of late, Hambro Life touched a new high of 504p on last year's impressive new business figures before easing on profit-taking to close only 2 up on balance at 496p. Other Life issues remained firm with Equity and Law closing 5 dearer at 815p and Pearl 3 harder at 873p. Renewed profit-taking as bid hopes faded clipped 7 more from Phoenix, at 443p, among Composites.

Circaprint Holdings, manufacturers of high quality printed circuit boards, made a quiet debut in the Unlisted Securities Market; the shares opened at 80p and moved up to 90p. Television services concern MME Facilities put on 7 to 46p following the impressive interim results and dividend hike.

Leading Buildings were firmer for choice, although business contracted sharply. London Brick held steady at 146p; the Office of Fair Trading's decision on whether or not to refer the bid to the Monopolies Commission is imminent. Elsewhere, Y. J. Lovell rose 10 to 172p in response to good preliminary results and the board's confident statement. but John Finlan encountered profit-taking and shed that much to 166p.

Buyers continued to shy away from ICI which drifted back to close 10 lower at 636p. Stewart Plastics gained 6 to 111p on the 24 per cent half-year profits expansion.

Stylo volatile

Substantial interest was again directed towards Shoe and Leather counters. Stylo were particularly volatile following news of the intimated £35m offer from Harris Queensway; touching extremes of 335p, and 308p, Stylo finally settled a net 8 dearer at 318p following the board's total rejection of the approach. HQ closed 6 cheaper at 314p. Strong and Fisher, in which Mr Asil Nadir's Restro Investments has recently taken a near-25 per cent stake, also attracted a lively business to close 17 off at 198p. In contrast, buyers showed interest in Lambert Howarth, 7 better at 190p, and Ellis and Goldstein, 1½ up at 39½p.

Movements among leading Stores were usually against holders with Gussies "A" 10 lower at 613p, and Burton 6 down at 460p, but House of Fraser bucked the trend in rising 4 to 250p on fresh speculative suport. James Walker NV, up 16 at 86p, advanced sharply amid strong rumours that a 5 per cent stake had changed hands.

Leading Electricals opened lower, but buyers showed interest at the lower levels. Down to 196p initially following comment on the half-year figures, Racal rallied to 202p before settling 8 lower on the day at 200p. Elsewhere, Mnemos, a particularly good market of late, encountered profit-taking and fell away to close 7 off at 53p, after 51p. Electronic Machine were also dull and ended a similar amount cheaper at 48p. Eurotherm reacted to 245p following lower annual profits before consideration of the accompanying statement brought a close of 5 higher on balance at 270p. Demand in a limited market left Security Centres 18 up at 285p and among USM stocks. SCUSA put on 11 to 129p.

Engineers traded on a quieter note, although fresh demand was forthcoming for TI, 4 higher at 192p. Elsewhere, Tace, up 5 more at 179p, after 182p, responded further to the preliminary results, while Goring Kerr put on 6 more to 284p. The annual report caused dullness in Cronite, which fell 3½ to 16½p.

Tate and Lyle apart, leading Foods made fresh progress in places. Publicity given to a broker's circular left Brooke Bond 2 dearer at 82p and, for the same reason, Unigate added a couple of pence at 125p. Demand in a limited market lifted Bernard Matthews 8 to 168p.

Trusthouse Forte's excellent results stimulated interest in other Hotels. Grand Metropolitan touched 348p before closing a couple of pence dearer on balance at 345p, while Norfolk Capital firmed 3 to 42p.

Bowater jump late

Bowater surged higher late on U.S. demand to close 21 up at 291p, after having been down to 266p initially. Glaxo, up 13 at 808p, also attracted American support, but other leading Miscellaneous Industrials fluctuated within fairly narrow limits. Elsewhere, Booker McConnell were another late feature rising 7 to 115p on revived U.S. bid speculation. Persistent demand lifted S. Pearson 17 to 443p, after 452p, while Extel were noteworthy for a rise of 12 to 470p. Low and Bonar, up 12 more at 186p, continued to reflect the proposed flotation of its wholly-owned Canadian subsidiary Bonar Inc.

Demand revived for Harvey Thompson, 12 dearer at 110p, while Rank Organisation improved 5 to 205p following a chart recommendation. News of the bid discussions with Smiths Industries prompted a rise of 7 to 38p in Downs Surgical; Smiths Industries announced yesterday that it had acquired a 13.9 per cent stake in Downs. Other good spots included BET, up 7 at 270p, and Highgate Optical, a similar amount dearer at 82p, the latter on a revival of speculative demand. Fitzwilton, in contrast, gave up 5 to 66p in sympathy with the slump in the Irish oil explorer Atlantic Resources.

Demand in a restricted market lifted Samuelson Group 65 to 375p.

Dowty hardened a few pence more to 138p following comment highlighting the group's medium and long-term growth prospects. Other Component manufacturers drifted easier in a subdued trade, with recently-buoyant Automotive Products, 2 cheaper at 55p. Distributors featured H. Young which responded to revived speculative support in a thin market and spurted to 100p before a close of 98p, up 11 on balance.

Fleet Holdings put on 10 to 160p as buyers looked to the prospect of Reuters being floated in the spring.

Leading Properties suffered a modest setback after an early bout of selling. Land Securities eased 2 and MEPC 4 to the common price of 276p. Elsewhere, C. H. Beazer attracted speculative support and gained 6 to 296p. Berkeley and Hay Hill touched 12p before closing a net 2 up at 11p on news that Promotions House had reduced its stake from 75 per cent to 31 per cent following the sale of 13m shares at 8½p per share to various investment clients. Alfred Walker firmed 3 to 70p; the interim results are due next Wednesday.

Irish oils weak

Another extremely busy day in Oils was dominated by the erratic trend in Irish exploration issues and in particular Atlantic Resources. Apart from the latter the most active issue was Aran Energy which fluctuated between 70p and 77p prior to closing a net 8 lower at 75p. Eglinton closed 20 off at 350p and Bula a penny cheaper at 32p while Bryson lost 10 at 360p. Leading UK stocks opened easier, staged a smart rally around midday, and eased afresh before steadying in the after-hours trade. BP ended the day 3 up on balance at 418p, after 420p. Cluff Oil advanced 13 to 105p on news that the company's subsidiary in Zimbabwe is to develop an open-cast gold mining operation in South West Zimbabwe. Australia's Bridge Oil put on 10 to a 1983-84 high of 223p reflecting optimism over the company's interest in the Aredor diamond mine in Guinea.

Persistent selective support brought some noteworthy gains to Plantations. Bertam touched 194p before settling a net 11 higher at 191p, the directors' statement denying knowledge of any reasons for the recent speculative upsurge having scant effect; Bertam have risen 41 so far this week and 67 since the beginning of the year.

Golds gain ground

Recently quiet mining markets made good progress in a much livelier business as the bullion price moved confidently through the $370 an ounce level to close a net $5.75 higher at $374.875 an ounce.

South African Golds shrugged aside an initial bout of selling from Johannesburg and improved throughout the day helped by good buying interest from local and Continental sources which left the majority of stocks at the day's best levels at the close of trading. The Gold Mines index advanced 11.2 more to 537.0—a two-day gain of 16.8.

Among the leading heavyweights Vaal Reefs were outstanding and added £1½ at £72 in front of the dividend which was not known during market hours while Randfontein put on £1¾ to £90 in belated response to the excellent quarterly profits announced on Tuesday. Western Deeps rose ½ to £33¾ but Southvaal were a nervous market and only ¼ firmer at £10¾ ahead of the dividend which was a shade below market estimates.

In Coppers profit-taking lowered ZCCM 15 to 170p but Continental and local buying lifted ZCI ½ to 17p.

Elsewhere, recent comment on the annual results boosted Anglo United Development 3 to 57p while the latest rise in European zinc prices encouraged further support for Tara Exploration which hardened ½ to a 1983-84 high of £11½. Greenwich Resources initially fell to 165p but rallied to close a net 3 off at 170p following an encouraging drilling report from the company's operations in the Sudan.

Traded Options attracted 3,852 contracts, slightly below Wednesday's volume. British Petroleum recorded 400 calls with 214 struck in the January 420's, while GEC attracted 399, 179 in the January 200's. A lively two-way trade developed in Racal in the wake of the recent interim results with 285 calls and 238 puts struck. Impressive figures from Trusthouse Forte promoted demand for Grand Metropolitan which recorded 238 calls with the January 330's rising 6 to 18p.

FINANCIAL TIMES STOCK INDICES

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 13	Jan. 12	year ago
Government Secs ...	83.21	83.23	83.27	83.33	83.33	83.00	78.92
Fixed Interest ...	87.29	87.27	87.18	87.15	87.22	87.04	80.68
Industrial Ord. ...	823.9	821.2	807.1	813.7	808.1	796.0	624.8
Gold Mines ...	537.0	525.8	520.2	542.8	548.6	554.6	656.3
Ord. Div. Yield ...	4.34	4.34	4.42	4.38	4.40	4.45	4.79
Earnings, Yld.% (full)	9.12	9.06	9.22	9.14	9.00	9.09	10.29
P/E Ratio (net) (*) ...	13.41	13.49	13.26	13.37	13.54	13.41	11.66
Total bargains ...	28,674	27,774	28,007	31,027	27,200	25,569	23,713
Equity turnover £m.	—	326.25	316.52	314.53	351.76	286.72	235.69
Equity bargains ...	—	24,403	25,149	27,147	28,059	22,042	19,498
Shares traded (ml) ...	—	204.6	212.5	196.8	283.5	176.7	145.6

10 am 817.7. 11 am 818.5. Noon 819.8. 1 pm 823.0. 2 pm 824.3. 3 pm 823.9.

Basis 100 Govt. Secs. 8/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.63.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs ...	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int. ...	87.29 (19/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord. ...	823.9 (19/1/84)	598.4 (12/1/83)	823.9 (19/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 18	Jan. 17
—Daily Gilt Edged Bargains ...	193.6	192.5
Equities Bargains ...	168.1	162.9
Value ...	669.4	639.8
5-day Avrge Gilt-Edged Bargains ...	196.4	198.6
Equities Bargains ...	164.3	165.1
Value ...	717.9	19.7

Industrial Precision ahead

PRE-TAX PROFITS of Industrial Precision Castings, which caters principally for the aerospace and defence industries, improved from £4,000 to £85,000 for the six months to November 5 1983.

Mr W. J. Watts and Mr F. E. Whitington, joint chairmen, welcome the "substantially better" results, achieved on an expected turnover of £1.7m, compared with £1.21m.

However, they consider that taxable profits for the year will not exceed the previous £243,000, because some large contracts may not be placed until the next financial year. The chairmen have "increasing confidence" of higher sales and improved profitability in 1984-85.

Tax in the first half took £44,000, against £2,000, giving attributable profits of £41,000 (£2,000). Earnings per 10p share were 1.01p (0.01p) and the interim dividend is unchanged at 1.86p net, following last year's final payment of 3.26p.

The interim dividend has been waived on 1.63m of the shares, which are traded on the over-the-counter market by Granville and Co.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (182)

BRITISH FUNDS (4)
AMERICANS (1)
BANKS (15)
BUILDINGS (6)
CHEMICALS (3)
STORES (8)
ELECTRICALS (12)
ENGINEERING (13)
FOODS (4)
HOTELS (3)
INDUSTRIALS (39)
INSURANCE (9)
LEISURE (3)
MOTORS (2)
NEWSPAPERS (2)
PAPER (3)
PROPERTY (3)
SHIPPING (1)
SHOES (3)
TEXTILES (2)
TRUSTS (37)
OILS (7)
OVERSEAS TRADERS (1)
PLANTATIONS (3)
MINES (2)

NEW LOWS (2)

BREWERS (1)
Marston Thompson
MINES (1)
Western Continental

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Jan 19 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Jan 18 Index No.	Tues Jan 17 Index No.	Mon Jan 16 Index No.	Fri Jan 13 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (748)	[illegible]	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Thur Jan 19	Day's change %	Wed Jan 18	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All Stocks ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures and Loans ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference ...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Thur Jan 19	Wed Jan 18	Year ago (approx)
British Government			
[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FIXED INTEREST COUPON BAND CHANGES: Low 2½ to 9⅞%, Medium to 12⅛% and High 12½ to 15⅛%

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	10	9	13	23	13	33	$374.75
GOLD C	$400	3	2.50 B	56	10	10	19	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 26,306

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
33	F.P.	21/12	34	28	✣Brewmaker 1p.	34	+2	—	—	—	16.4
¶435	F.P.	10/2	455	393	Brit. Petroleum	425	+5	20.25	1.9	6.8	11.8
¶275	100	2/3	132	96	Cable & Wireless 50p	130	...	‡h5.47	3.5	6.0	5.6
‖	F.P.	—	95	90	✣Circaprint Hldgs 10p	90	...	u0.7	7.7	1.1	12.6
¶75	F.P.	20/1	82	68	Dataserv Inc. 5c	82	+1	bQ1.5	5.1	1.2	16.0
‖	F.P.	—	265	220	✣Gibbs Mew	220	...	¶4.65	1.6	3.0	28.7
95	F.P.	31/1	96	90	Henara 10p	94	−2	b2.8	2.6	4.3	12.8
§137	F.P.	6/1	149	138	✣High-Point Serv. 10p	142	...	u3.0	3.4	3.0	11.3
¶85	F.P.	18/1	87	85	✣J'hnsn&Jorg'nsn 10p	85	...	b3.15	2.1	5.3	11.7
¶139	F.P.	10/1	183	168	✣Kenyon Securities	178	...	b9.38	1.7	7.5	10.9
¶150	F.P.	—	155	136	Ldn. & Edin'gh Tst. 10p	154		b5.25	2.5	4.9	9.7
§40	F.P.	20/1	46	37	✣MME facilities 10p	46	+7	b1.4	1.6	4.4	17.3
§96	F.P.	16/1	102	95	✣Mebon 10p.	102		b3.4	2.0	4.8	14.2
§195	F.P.	25/1	240	215	✣Moray F. Malt'gs 50p	228	...	b7.0	2.7	4.5	9.1
§33	F.P.	—	42½	34	Palma Group	40½	+½	ud2.0	0.8	7.1	27.7
§140	F.P.	20/1	165	146	✣Pencom 10p.	162	+4	u1.7	4.9	1.5	16.6
¶ ¶	F.P.	—	74	60	Stockley Devel'mts 10p.	72	−2	—	—	—	—
100	F.P.	27/1	95	85	✣Synterials 10p	90		—	—	—	—
§135	F.P.	—	150	135	✣TyneTeesTVANV£1	150	+5	8.25	2.4	7.9	7.7
¶130	F.P.	17/2	177	131	V G Instruments 10p.	177	+5	b1.4	5.6	1.1	22.7
§10	F.P.	31/1	19	16	✣Welpac 10p.	19	+1	bg0.2	4.1	1.5	20.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
* *	F.P.	—	128	123	Allied Textile 10% Cnv. Uns. Ln. 1993.	125	...
‖	F.P.	6/1	124	110	Arlen Elect. 11¼% Cnv. Ln. 1990	110	..
¶ ¶	F.P.	—	102	101¼	BAT Inds. 12¼% Uns. Ln. 2003/08	102	
¶ ¶	F.P.	—	99¼	98½	Do. Fltg. Rate Cap. Nts. 1986/90	99¼	
99	F.P.	16/2	99½	98½	Colne Valley Water 6% Red. Prf. '90	99	
99.15	£25	22/3	25¾	24¾	Elf (U.K.) 12¼% Uns. Ln. '91	25¼	
98.714	£30	26/4	33¾	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	35	+¼
97.868	£25	23/1	30⅞	25	Ireland 12½% 2008	30¾	−¼
100	F.P.	—	100½	98	Kensington & Chelsea 11.15% Red. 2006	100¼	..
‖	£30	10/11	47	30½	Lon. Shop Prop. 9pc Cnv. 94/99 Ser II.	47	..
¶95.711	£25	—	25	24½	MEPC 10¾pc 1st. Mort. Deb. 2024	25	..
§100	£10	1/3	13	10¾	Mid Kent Wtr. 12pc. Red Deb. 1993	12	..
—	F.P.	—	100⅞	100¼	Nationwide 10½% Bds. 24/12 84	100¼	
¶ ¶	F.P.	—	30p	28½p	Palma Group 5½% Cum. Prf. £1.	30p	
99.44	£25	13/4	27¾	25¼	Queens Moat 12% 1st Mort. Deb. 2013	27¼	..
99.895	£30	21/3	31⅛	29¼	Spain 12% Ln. 1988.	31⅛	.

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
300	Nil	—	27/1	120pm	100pm	Carlton Communications 5p	120pm	+5
92	Nil	—	10/2	47pm	21pm	Charterhouse Pet.	47pm	
160	Nil	—	3/2	40pm	36pm	Ellis & Everard.	40pm	
32	Nil	—	24/2	11pm	5pm	Herman Smith 10p.	11pm	+2
32	Nil	—	6/2	3pm	2½pm	Jones (Edward) 10p.	3pm	+½
300	F.P.	—	2/3	395	333	McCarthy & Stone 20p	395	...
30	Nil	—	9/3	28pm	19pm	Meggitt 5p.	20pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. Φ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Re-introduced. ¶¶ Issued in connection with reorganisation merger or take-over. ● Provisional or partly-paid allotment letters. ■ Allotment letters (or fully-paid). ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ‡ Effective issued price after scrip. † Formerly dealt in under special rule. ✣ Unlisted Securities Market. ♥ Dealings under rule 163(4).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds ...	15	16	71
Corpns. Dom. and Foreign Bonds ...	11	1	61
Industrials ...	338	211	854
Financial and Prop.	130	53	338
Oils ...	32	31	58
Plantations ...	4	6	10
Mines ...	68	18	84
Others ...	37	78	64
Totals ...	634	422	1,537

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 9	Jan 20	Apr 2	Apr 16
Jan 23	Feb 3	Apr 26	May 8
Feb 6	Feb 17	May 10	May 21

For rate indications see end of Share Information Service

Call options were taken out in S. W. Wood, First National Finance, London and Liverpool, Booker McConnell, Brooke Bond, Meggitt, Milford Docks, RHM, Aran Energy, ICL, Rank Organisation, Hadson Petroleum, UKO, Brewmaker, Ramar Textiles, Suter, Bowater, Bristol Oil and Minerals, Camford Engineering, Fleet Holdings, SCUSA, Francis Sumner, V. W. Thermax, Bula, W. E. Norton, James Neill and Grovebell. Puts were arranged in First National Finance, London and Liverpool, Meggitt, Swire Pacific, Mersey Docks, Mnemos and Atlantic Resources, while double options were transacted in Saxon Oil, First National Finance, Booker McConnell, Brooke Bond and Sunmask Petroleum.

ACTIVE STOCKS

Stock	No. of changes	Wed. close	Day's change
Pict Petroleum	18	163	+20
Ultramar ...	17	643	+23
BP ...	15	415	+13
TI ...	15	188	+16
Trident TV A ...	15	140	+10
Barclays Bank	14	545	+18
Bigrve (Bikhth)	14	143	+16
Hambro Life ...	14	494	+20
Rivlin (ID & S)	14	68	+11
Tate & Lyle ...	14	437	+22
Dowty ...	13	135	+3
Hanson Trust ..	13	286	+10½
NatWest Bank	13	697	+19
RHP ...	13	46	+1

WEDNESDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Treas. 10pc Cnv. 1990	£20¾	+0¾
Atlantic Resources ...	615	−85
BAT 12¼pc UnLn 03-08	102	—
Beecham ...	323	+8
Booker McConnell ...	115	+7
Bowater ...	291	+21
ICI ...	636	−10
Mnemos ...	53	−7
Pearson (S.) ...	443	+17
Stylo ...	318	+8
Tate & Lyle ...	414	−23
Trusthouse Forte ...	199	+3

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*418)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
LASMO (*308)	240	75	85	90	2	5	8
	260	58	70	75	3	9	18
	280	40	54	60	7	17	22
	300	23	38	47	15	26	32
	330	9	18	—	31	40	—
	360	3	8	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Jan. 19. Total Contracts 3,852. Calls 3,021. Puts 831.

* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¼	99½	Exch. 11¼pc 1984 ...	100⅜xd	−⅛	11.22	8.44
104⅞	100½	Exchequer 14pc 1984.	101½	....	13.80	9.34
97½	92½	Exch. 3pc 1984....	97½	....	3.07	8.75
102½	100½	Treasury 12pc 1984..	101½	−⅛	11.82	9.60
107½	103½	Treasury 15pc 1985..	105⅝xd	......	14.23	9.72
107	101⅛	Exch 12pc Cnv. '85..	102½	....	11.71	9.65
94½	88⅝	Treasury 3pc 1985....	94½	−⅛	3.18	7.60
102½	99⅝	Treasury 11½pc 1985...	102⅛	......	11.25	9.89
102	95	Treas 8¾pcCnv '85 ...	98⅞	....	8.34	9.48
103¾	100⅛	Exch. 12¼pc 1985....	103⅛	−⅛	11.87	10.25
102⅞	99½	Exch. 12¼pc '86.... ..	102⅞xd	....	11.96	10.38
102¾	97¼	Treas 10pc Cnv 1986	101¼	−⅛	9.87	9.20
89⅞	85⅝	Treasury 3pc 1986....	89⅝	+⅛	3.35	8.09
101½	97½	Exch. 10½pc Cv '86..	100½	−⅛	10.42	10.14
103½	100⅛	Treasury 12pc '86 ...	102⅞	....	11.66	10.58
98¼	94⅞	Treasury 8¼pc '84-86‡‡	95¼	....	8.65	9.31
109½	105⅛	Exch. 14pc 1986.	107½	......	13.01	10.73
86⅛	84½	Exch 2½pc 1986	86½	+⅛	2.90	8.05
107½	103⅞	Exch 13¼pc 1987....	106⅛xd	....	12.46	10.73
100⅛	95⅞	Treas 10¼pc Cnv '87	99½xd	+⅛	10.30	10.45
84⅞	80¼	Exchequer 2½pc 1987.	84⅝xd	+⅛	2.95	8.23
100⅛	95⅞	Exch. 10½pc 1987 ...	99⅞	....	10.57	10.70
93¼	88⅛	Funding 6½pc '85-87‡‡	92½	....	7.05	9.31
98½	95	Treas 10pc 1987.... ..	98	....	10.20	10.68
86	80¼	Treasury 3pc 1987....	85½	+⅛	3.53	8.51
104⅞	99⅞	Treas 12pc 1987..... .	103⅛	....	11.60	10.84
94½	89⅞	Treasury 7¾pc '85-88‡‡	94⅝xd	+⅛	8.21	9.46
101½	95½	Exch 10½pc '88.......	99⅛	....	10.55	10.65
98⅞	95½	Treas 9¾pc Conv '88.	97½	....	10.00	10.47
81⅞	75¼	Transport 3pc '78-88	81¼	−⅛	3.66	7.95
96¼	90¼	Treas. 9½pc '88... ..	95½	....	9.94	10.71

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
48½	32½	MCD Group	48½		10.0	2.2	2.9	22.1
		for MMT Computing see Electricals						
29	16	M Y Dart 10p	29	−1	20.25			
212	134	M'c'rthy Ph. 20p	140		7.0	2.7	7.1	6.6
148	128	Macfarlane Gp	140	+4	†3.52	2.1	3.6	17.1
4	33	Macfellan 20p	37		d1.5	1.6	5.8	13.3
63	31	Macpherson (D.)	46½		4.2	0.6	12.9	(27.4)
56	41	Magnolia Group	55		2.3	3.2	6.0	6.5
72	62	Manor Hldgs. 10p	62		—	—	—	66.2
180	65	Man. Ship Can. £1	165	+3	3.5	6.8	3.1	5.0
81	48	Marley	79		†2.5	0.5	4.5	(75.6)
47	30½	Marling Ind. 10p	42	+1	†1.08	1.7	3.7	(18.9)
34	25	Marshall L'sy. 'A'	31	−3	†1.2	—	‡	—
70	44	Marshall's Univ.	62	−4	8—	—	—	(122.3)

LEISURE—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
202	139	LWT "A"	202		11.08	1.8	7.8	8.9
*147	45	Leisuretime Int 10p	53		q1.54	ϕ	4.7	ϕ
132	97	Mecml. Ag. M. 10p	116		8.75	1.6	10.8	8.4
115	52	Medminster 10p	85		4.4	1.7	7.4	11.1
170	110	Miss World 10p	142	+2	b3.0	2.5	2.8	20.6
24	17½	Nationwide 5p	24		—	—	—	—
128	21	Numico Int 20c	21		—	—	—	—
128	45½	Norton Opax 10p	123		12.17	4.3	2.5	8.8
30	22½	Owners Abroad	28¼		0.5	4.5	2.5	12.9
47	35	Photax (Lon.)	36		—	—	—	—
*147	84	Pleasurama St 10p	105		g1.5	ϕ	2.0	27.5
363	217½	Pleasurama 5p	328	−5	6.5	ϕ	2.9	ϕ
173	108	Radio City 'A' NV	145		Φ4p	1.6	5.5	15.7
209	138	Riley Leisure 10p	144		†3.95	1.7	3.9	20.1

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
238	112	Mountview 5p	236		13.7	8.8	2.2	7.2
82	68	Muckl'w. A. & J.	82		4.5	1.3	7.8	12.7
84	63½	New Cavendish 5p	80		14.1	1	—	16
25	13	New England Prop.	20		—	—	—	—
186	87	North Brit. Props.	184		ϕ1.1	ϕ	0.9	ϕ
*35	22	Parkdale Hldgs. 10p	32		10.8	1.8	3.6	27.9
196	125	Peachey	192		6.0	1.9	4.5	16.8
214	194	Peel Hldgs.	210		bd7.35	1.2	4.9	(22.1)
43	19	Pioneer Prop. and Fin.	19		—	—	—	—
154	132	Prop. Hldg. & Inv.	176	−4	14.4	1.5	3.6	29.8
285	258	Prop. Part'ship.	285		16.25	1.8	3.1	25.5
173	130	Prop. & Rev.	168	−2	3.5	3.3	3.0	34.3
121	74	Prop. Sec. Inv. 50p	120		2.25	2.1	2.7	26.5
11	7	Raglan Prop. 1p	11		0.08	3.9	1.0	29.0

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	58	F. & C. Eurotrust	104	+1	1.55	1.1	2.1
170	124	Family Inv. Tst.	170	+2	†6.3	1.0	5.3
270	220	Fashion & Gen. 5p	270		12.0	1.0	6.4
*13	7½	First Charlotte Assets	12½		g0.05	1.4	0.6
212	166	First Scot. Am.	212		5.15	1.0	3.5
*414	328	Fleming American	408		N4.25	—	1.5
116½	100	Do. 7pc CvUnLn 1999	116½		07%	—	16.0
196	149	Fleming Claverhouse 50p	194xd		7.5	ϕ	5.5
192	130	Fleming Enterprise	192		7.2	1.0	5.4
294	159	Fleming Far Eastern	294	+2	F1.5	1.1	0.7
106	83½	Fleming Fledgeling Tst.	102		2.25	1.0	3.0
489	257	Fleming Japanese	480	+4	F1.75	1.2	0.5
478	253	Do. 'B'	478	+4	—	—	0.4

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
300	135	Carless Pet 20p	300	+10	—	—	—	—
205	103	Candecca Res.	192	−1	—	—	—	—
*242	100	Carless Capel 10p	218	+3	q2.75	1.0	1.8	(72.3)
92	60	Century 10p	72		3.4	2.7	6.7	7.8
*78	28	Charterhall 5p	78		g0.3	—	0.6	—
*138	64	Charterhouse Pet.	137	−1	g0.75	5.8	0.8	34.5
£16½	£10¼	Cie Fr. Petroles B	£16¼	+¼	†30%	—	10.8	—
136	32	Clarement Pet NL	120	+3	—	—	—	—
105	37	Cluff Oil £1	105	+13	—	—	—	—
115	70	Do. Cnv. A	105		—	—	—	—
140	55	Clyde Petroleum	117	−5	0.61	—	0.7	—
37	15	Collins (K.) 10c	19	+1	—	—	—	—
17	7	Conwest Pet NL	10	+½	—	—	—	—

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	ACM 20c	17½		—	—	—
52	30	Allstate Expl. NL	30		—	—	—
10½	3¼	Asia Oil & Mins.	4¼		—	—	—
40	9	Austrair. Mng. NL	21		—	—	—
25	11	Balmoral Res.	15½		—	—	—
60	30	Black Hill Mins.	30		—	—	—
99	51	Bond Corp.	93	−1	010c	0.7	6.9
183	116	Bougainville 1 Kina	163	+1	Q21	1.2	1.2
396	304	CRA 50c	370	−2	Q3c	—	0.5
145	60	Carr Boyd 20c	69		—	—	—

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Capital Life Assurance
24 Ludgate Hill, EC4P 4BD. 01-248 9861

Key Inv Fd	—	128.60	....	—
Pck Mkr Inv Fd	—	126.94	....	—
Equity Fd	105.91	111.48	....	—
Fxd Int Fd	103.29	108.73	....	—
Property Fd	99.03	104.29	....	—
Cash	99.08	104.29	....	—
Mnd Fd	106.63	112.24	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

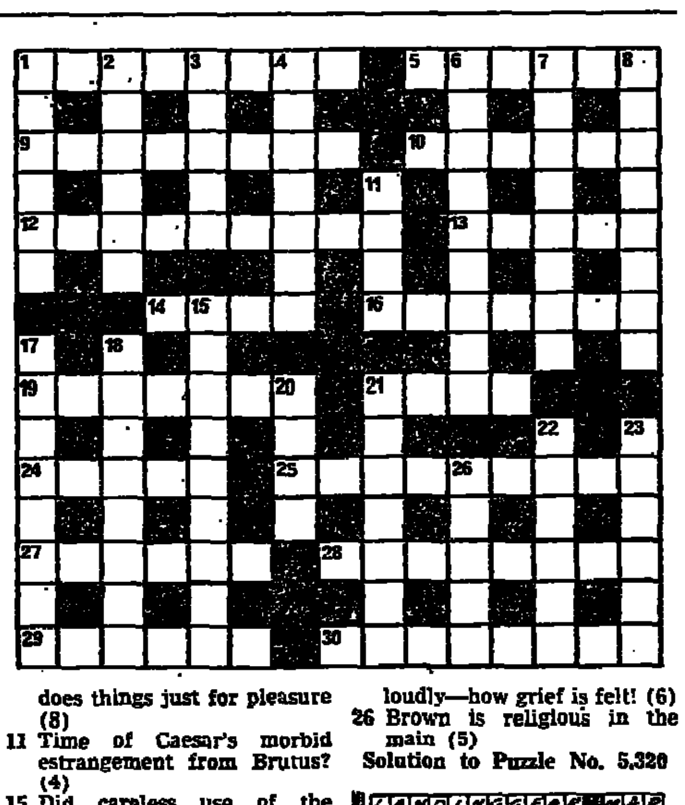
VarAnnAcJn14	—	156.06	....	—
VarAnnAcJn20	—	34.19	....	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,321



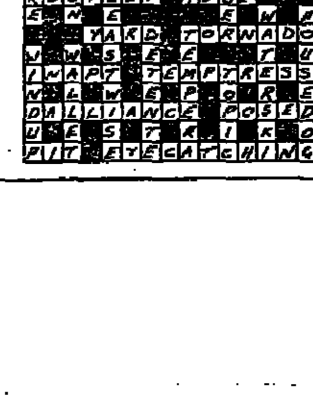
ACROSS

1 Alpinist slips and ducks (8)
5 Taunt cheer-leaders in the grass (6)
9 Our solid version of the 20-*franc piece* (5, 3)
10 Chequered flag marks it: turn up to see it (6)
12 Retrograde direction of waiter around the fleet (9)
13 A. Rufus-Chester—bit of a card at Christmas? (5)
14 Nail to stick in rail-notice (4)
16 Winter abroad—aboard—shows cold symptoms (7)
19 General enclosure for making leg-glances? (7)
21 Boy's skates (4)
24 Jag, say, to sound horn by hospital . . . (5)
25 . . . Constable appears — pleads, can get it under control? (9)
27 Novel site for cricket (6)
28 Gooseberry or N. peach variety? (8)
29 *This means of transport* sounds like murder (6)
30 Expansive manner of a theatre-district (8)

DOWN

1 Finnish, they say, or European (6)
2 "It," for example, yet sexless (6)
3 Firing, dismissing the head of Nevada City (5)
4 Do alter design of daring young man's wear (7)
6 I try a well-designed permutation—it comes up on the pools (5-4)
7 Boy soprano's outside Minehead: he uses vibrato, thus (8)
8 Fellow in U.S. robbery. He does things just for pleasure (8)
11 Time of Caesar's morbid estrangement from Brutus? (4)
15 Did careless use of the cigars burn it down? (9)
17 If they are strong grips, motorists can throw them out (8)
18 French newspaper includes article that is effervescent (8)
20 Half-pint for some Jack's other half, we hear (4)
21 Western stock-holder? (7)
22 Flower of Ireland in burial-ground (6)
23 Lament the dead extremely loudly—how grief is felt! (6)
26 Brown is religious in the main (5)

Solution to Puzzle No. 5,320



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.	243.79		.....	—
Managed Inv. Fd.	164.78	173.46	.....	—
Property Fd.	152.36	160.37	.....	—
Fixed Interest Fd.	148.30	156.11	.....	—
Cash Fd.	137.47	144.71	.....	—
Income Fd.	181.54	191.10	.....	—
Extra Income Fd.	174.41	183.59	.....	—
Worldwide Growth Fd.	233.27	245.55	.....	—
Balanced Fd.	183.11	192.75	.....	—
Smlr Co's & Recy. Fd.	210.39	221.26	.....	—
Int. Technology Fd.	269.08	283.25	.....	—
Nth. Amer. & Gen. Fd.	162.45	171.00	.....	—
Energy Int. Fd.	108.48	114.19	.....	—
Pacific Basin Fund	149.98	157.88	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	117.4	123.6	.....	—
Property	119.8	126.1	.....	—
Equity	122.9	129.3	.....	—
International	132.4	139.3	.....	—
Fixed Interest	104.0	109.5	.....	—
Deposit	100.5	105.8	.....	—
Managed Pen. Cap.	118.1	124.3	.....	—
Property Pens. Cap.	121.5	127.9	.....	—
Equity Pens. Cap.	118.0	124.2	.....	—
Intnl. Pens. Cap.	138.1	145.3	.....	—
Fixed Int. Pens. Cap.	100.7	106.0	.....	—
Deposit Pens. Cap.	97.9	103.1	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Dec 29	97.4		.....	—
Retmt. Fed. Jan. 6	280.3		.....	—
Managed Pen Fund	193.8	204.0	.....	—
Property Pen Fund	117.3	123.5	.....	—
Index Lnkd Pen Fund	111.6	117.5	.....	—
Managed	128.6	135.4	+0.1	—
Property	106.2	111.8	.....	—
Gilt and Fixed Interest	109.1	114.9	.....	—
Index-Linked	97.5	102.7	.....	—
Equity	129.6	136.5	+0.3	—
Cash	105.5	111.1	.....	—
Midland Bk. Unit Tst.	126.4	133.1	+0.1	—
Midland Bank Intnl.	150.1	158.1	-0.1	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	127.6	134.4	+0.5	—
GT Pln High Yld Fnd.	131.9	138.9	.....	—
GT Plan Far East Fnd	127.3	134.0	.....	—
GT Plan N. Am Fd.	144.1	151.7	.....	—
GT Pln UK&G.E. Fnd	149.6	157.5	.....	—
GT Pln Wrldwde Fnd.	149.4	157.3	.....	—
GT Pension Bnd Fnd.	140.5	147.9	+0.7	—
GT Pen High Yld Fd.	151.0	159.0	.....	—
GT Pen Far East Fd.	156.8	165.1	.....	—
GT Pen N. Am. Fd.	211.6	222.8	.....	—
GT Pen UK & G.E. Fd.	172.8	181.9	.....	—
GT Pen Worldwide Fd.	160.8	169.3	.....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	363.3		.....	—
Portfolio Fd. Inl.	215.3		.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.6	302.0	+1.4	—
Money Fd	157.0	165.3	+0.2	—
Equity Fd.	242.5	255.5	+1.7	—
Fixed Int. Fd.	119.6	126.0	.....	—
Property Fd.	174.2	183.4	.....	—
Managed Pen. Fd.	187.9	282.3	.....	—
Equity Pension Fd.	191.3	201.4	.....	—
Fixed Int. Pen. Fd.	168.5	177.4	.....	—
High Yield Pen. Fd.	166.3	175.2	.....	—
Money Pension Fd.	130.4	137.3	.....	—
Property Pension Fd.	128.5	135.4	.....	—
Gresham/Framlington				
American & Gen. Fd.	262.2	276.3	+2.2	—
Income Fd	204.7	215.7	+3.2	—
Int'l. Growth Fd.	286.5	301.9	+1.5	—
Capital Fund	213.0	224.4	+0.7	—
Recovery Fund	164.1	172.9	+2.3	—

Growth & Sec. Life Ass. Soc. Ltd.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O Box 86, Guernsey. 0481-26521

Capital Reserve Fund	£17.25	17.26	.....	0.23
C.I. Fund	371.4	390.9	.....	2.22
Special Sits. Fund	£1.443	1.519	.....	1.84
Sterling Income Fund	112.6	117.5	.....	10.21
Dollar Income Fund	$1.058	1.104	.....	10.87
Trans. Nat. Trust	$1.197	1.260	.....	2.38
Intnl' Bond	$98.85	105.11	.....	10.40
Int. Equity	$21.86	23.01	.....	0.53
Int. Svgs. 'A' $US	$1.68	1.77	.....	—
Int. Svgs. 'B'	$2.39	2.52	.....	—
Amer Spec Accts.	$0.96	1.05	.....	—
Amer. Equity Inc*	—	50.0	.....	6.50

*Initial launch period Jan. 9-Jan. 31.

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents).	167.9	178.6	.....	—
Ntrl. Res. (U.S. cents)	126.9	135.0	.....	—
Gilt Fund	£10.55	11.18	.....	11.18
Prime Res. Props.	£0.99	1.06	.....	—

Henderson Baring Group
1901, Edinburg Tower, Hongkong.

Australia	$10.91	11.75	.....	2.10
Hong Kong	$11.05	11.89	+0.11	3.10
Japan Tech.	$30.09	32.15	.....	—
Japan Fund	$41.84	44.70	-0.16	0.42
Malay Sing.	$23.95	25.79	.....	1.30
Pacific Fd.	$16.240	17.052	-0.197	1.45
Pacific Intl Fd.	$10.53	11.06	.....	—
Bond Fd.	$10.490	11.014	.....	10.89

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St Peter Port, Guernsey, C.I.

Guernsey Tst.	323.5	346.0	+5.6	2.37

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	218.1	233.8	.....	2.5
UK Gilt (Jy. Fxd. Int.)	109.0	115.0	.....	10.5
Int. Man. (Growth Fd.)	183.5	198.1	.....	—
Intl. Currency Fund				
D. Mark.		DM43.22	.....	—
£ Sterling		£11.51	.....	—
Swiss Franc		SF36.17	.....	—

[illegible]

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, IoM. 0624 23914

Coin Trust	22.0	23.6	.....	—
Diamond Bond	69.9	75.0	.....	—
Gold Bond	246.5	262.0	+1.8	—
Sterling Deposit Bd.	172.42	181.60	+0.03	8.80
UK Gilt Fund	172.9	183.4	-0.2	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey. 0481 26741

OC America Fd.*	$3.54	3.75	.....	1.16
OC Sm Co***	184.6	195.6	.....	1.58
OC Commodity†	126.0	134.0	.....	2.27
OC $ Comdty*	$35.41	37.53	.....	1.84
OC Hongkong††	HK$36.91	39.26	.....	—

*Prices Jan. Next dealing Jan 23. †Prices Jan. 13. Next dealing Jan 31. ***Prices Jan 13. Next dealing Jan 31. ††Dealings every Wednesday.

OC Intl Reserves Ltd. 0481-26741 26331
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Rothschild Australia Asset Mgt Ltd.
17 Bridge St, Sydney 2000, Australia

Five Arrows Aust. Eq.	A$1.51	1.55	.....	6.0

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Intl Income Fd	$9.84	10.47	.....	—
Intl Capital Fd.	$15.79	17.06	.....	—
North America Fd	$6.96	7.59	+0.06	—
RBC Intl Currencies Fd Ltd				
U.S.$	$21.93	—	+0.01	—
Canadian $		$27.28	.....	—
£ Sterling		£11.04	.....	—
D-Mark		DM52.31	+0.01	—
Swiss Francs		SF41.15	.....	—
Japanese Yen		Y6,342	.....	—
Managed Fund		$21.18	+0.03	—

Daily Dealings.

Royal Trust Intnl. Fd. Mngt. Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Sterling Fxd Int Fd.	£0.893	0.945	+0.002	10.51
International Secs.	$1.182	1.271	+0.005	1.10
International Bond	$0.862	0.913	+0.004	10.51

[illegible]

Precious Metal Fund	121.7	126.7	+6.2	—
Vanguard Cmdy. Fd.	34.5	35.4	-0.1	—
Financial Futures Fd.	63.1	65.7	.....	—
Wren Intl Fnd *	50.663	0.691	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

European zinc price rises to $1,010 tonne

BY JOHN EDWARDS, COMMODITIES EDITOR

ANOTHER rise in the European zinc producer price from $980 to $1,010 a tonne was initiated yesterday by Preussag, the West German smelters. The move to $1,010 was quickly followed by Penarroya of France and Metallgesellschaft of West Germany and other producers are likely to come into line shortly. It is the eighth increase in the European producer price since last May when it was only $750.

Values on the London Metal Exchange zinc market immediately rose to 9½-year peak levels, but eased in later trading. The three months' quotation reached a high of £695 before closing at £687.5 a tonne, still £8.75 up on the previous day.

Cash zinc gained £11 to £694 widening its premium over the three months quotation. The main influence in the market at present is the developing squeeze on immediately available supplies, which is pushing the cash price higher as well as encouraging speculative buying. Large shipments of zinc stocks out of the LME warehouses are predicted in the next few weeks, while buying tenders shortly by the U.S. Mint and Indian Metals Trading Corporation are expected to emphasise the current world scarcity of special high grade zinc.

The rise in the European producer price was widely expected following the recent increase in North American producer prices. Indeed, some traders had been anticipating a larger increase than $30. But European producers are clearly becoming worried about the effect on consumption of prices being pushed too high.

Copper prices rose for the second day running, boosted mainly by the firmer trend in gold. U.S. producer, Asarco, raised its domestic selling price by 0.50 cents to 65 cents a lb.

● The Chicago Mercantile Exchange said yesterday it will seek approval for a London delivery feature for the gold futures contract traded on its International Monetary Market

World wheat production estimated at 487m tonnes

BY JOHN EDWARDS

THE International Wheat Council yesterday raised its estimate of world wheat production in 1983 to a record level of 747m tonnes, some 4m tonnes above its previous estimate in November and the 1982 crop.

The report repeated the council's prediction in December that the 1984 world wheat crop could well reach 500m tonnes. It noted that winter wheat seedings the U.S. had risen by 4 per cent and in most areas snow cover was sufficient to protect dormant crops. Higher sowings are also reported in the EEC, Soviet Union, China and India, with weather conditions favourable so far. Carryover stocks at the end of 1983-84 are forecast to increase to 121m tonnes from 118m previously.

World production of coarse grains in 1983 is estimated 3m higher than previously at 688m tonnes, although this is still well down on 1982 output of 786m.

The increase is due to the U.S. maize crop forecast being lifted by 2m to 107m tonnes. Nevertheless world carryover stocs of coarse grains at the end of 1983-84 are predicted to fall to 80m tonnes compared with 153m tonnes at the end of last season.

Strong rise in cocoa values

By Our Commodities Staff

COCOA VALUES rose strongly on the London futures market yesterday as speculators took their profits following the recent heavy sell-off. After rising the £40 permissible daily limit in the morning the May position moved further ahead to end the day £73 up at £1,886.50 a tonne.

Dealers said the rise was encouraged by concern over delayed shipments from Nigeria, belated reaction to last week's "constructive" grindings figures from the U.S., West Germany and the UK, and forecasts of a sizeable 1983-84 world supply deficit.

● INDIA'S cotton output in the 1983-84 season (September/August) may fall sharply to 7.8m bales from last year's record 8.6m because of bad weather in the past few weeks, traders suggest.

● LEBANON'S 1983-84 citrus crop is forecast at 295,000 tonnes, down 13 per cent from the revised 1982-83 estimate of 340,000 tonnes, the U.S. agriculture department said.

● THE U.S. agriculture department said five more premises in the Pennsylvania-New Jersey quarantine area have been diagnosed as infected with highly pathogenic avian flu.

● PRICES of all grades of Bangladesh tea rose further (up 15p on the £1 per pound price for best fannings) at the Chittagong tea sale because of India's ban on cut tear and curl (CTC) exports, market sources said.

● WORLD MOHAIR output this year looks like falling below the 17.2m kg produced in 1983, the South African mohair board said.

● MALAYSIAN palm oil futures market prices closed limit up in active trading, as reports of Pakistan's presence at its weekly tender caused speculative buying interest, dealers said.

Commission prefers a squeeze to a freeze

Farmer's Viewpoint: By John Cherrington

EEC price proposals published last week would reduce UK farmers' real incomes to the lowest level since the war, Sir Richard Butler, president of the National Farmers' Union, claimed yesterday. If the EEC Commission's recommendations are accepted by the Council of EEC Agriculture Ministers, and the proposed "Green" currency realignment is enforced, British farmers' returns, after allowing for inflation, will be down 25 per cent, Sir Richard said.

THE LATEST proposals in the EEC farm price package added to previous measures could cut UK farm support by 12 per cent more than if there had been a simple freeze of UK farm prices. This, according to Sir Ralph Butler, president of the NFU would be grossly unfair to British farmers and would put them at a grave disadvantage when competing with farmers in most Community countries.

In general a revaluation of the green pound would have the effect of reducing most farm support prices by 3½ to 4 per cent. In cereals it would mean a 4 per cent reduction of the cereal intervention price. But the Commission has also ruled that payment for cereals placed in intervention will now be delayed by 120 to 140 days. This, according to the Home Grown Cereals Authority, could mean an effective reduction in the intervention price for feed grains next August of about £8 per tonne on the price for August 1983.

In addition the Commission is proposing a general raising of the standards for grain offered for intervention or export which, if put into effect, could materially reduce the quantities absorbed by these outlets. This could lead to a substantial fall in UK market prices.

For milk the revaluation would mean a fall in the manufacturing milk price of about 4 per cent. Manufacturing absorbs about half total sales. The butter and skimmed milk powder sold to intervention would, it is believed, suffer a similar delay to that affecting payments for cereals. The proposed super levy of 75 per cent on production, more than 1 per cent over 1981 levels would affect about 5 per cent of all milk produced in 1982.

For beef, there will be a rise in the intervention price of 1.5 per cent but this will be sharply affected by the revaluation provisions and in addition the Commission has proposed eliminating the variable premium which is unique to British beef. This at the moment is limited to about 10 per cent of the guaranteed price.

There is no intervention buying for sheepmeat, which until now has been supported in the UK by an open ended guarantee price and a deficiency payment to cover any shortfall. There is also an extra payment on every ewe which for this year is expected to be £6 per head. It is suggested that the variable premium should be limited to 25 per cent of the guide price. The effect of this would be to reduce quite substantially the premium being paid. If applied in July last year it would have knocked £8 off the return for a 16 kilo lamb. Today the amount would have been about £3.20 for the same weight of lamb.

The levy imposed on lamb exports would automatically be reduced to the same figure. This would certainly make exporting easier, particularly in glut periods, in the early summer when the markets are very low and this, the Commission believes, would compensate for the drop in the premium returns.

This is in no way certain. French sheep farmers who keep a very close eye on these things are hardly likely to acquiesce passively to a flood of imports. The French Government is already devising hindrances by such means as hormone testing which can seriously interefere with the free flow of trade. The uncertainties created by this proposal, first mooted last autumn, have affected sheep farmer confidence. If implemented it could affect the economic of the whole chain of sheep farming.

These changes are not yet fact, they could all, or in part, be rejected by the Council of Ministers, the exchange rate changes could be modified, but overall the effect could be nasty, especially as costs are expected to rise by 5 to 6 per cent. Farmers can hardly have been reassured by the messages from the Ministry of Agriculture and others, including some close to the Prime Minister, that a much closer eye will be kept in future on surplus production for which there is no viable market.

But there are some differences of opinion among farmers too. Some dairy farmers, egged on by the Milk Marketing Board, are bitterly opposed to quotas on a farm-by-farm basis. Sheep farmers want to see that curbs on imports of New Zealand lamb, as proposed by the Commission, are implemented, as do dairy farmers for butter. Pig farmers would be highly delighted if feed grains turned out to be cheaper as a result of the cereal proposals.

Faced by these divisions, the Minister and the Commission will probably get away with whatever they like. Divide and rule is an old British custom.

Warning over French health checks for UK lamb

BY BARBARA DALZELL

FRENCH PLANS to introduce rigid health checks on British lamb imports will not come into effect until April, the UK Ministry of Agriculture said yesterday.

The new measures, announced by the French Government on Wednesday, will involve delays of at least four days while the meat is tested to ensure it does not contain synthetic hormones.

The safety checks ostensibly reflect French concern about the possible cancerous effects of some synthetic hormones.

However, since the hormones concerned are banned in Britain, they have been seen as retaliation by France for lengthy testing procedures carried out on UHT milk imports coming into Britain.

Lord Belstead, Minister of State at the Ministry of Agriculture, said yesterday that British lamb would pass any tests the French might apply and that France "will have a lot to answer for" if meat was subject to undue delays.

He said Britain had a right and a duty to impose checks on imported long life milk. Indeed, the fact that the first consignment from France had higher-than-permissible water quantity proved it was right

Meanwhile, British lamb is still reaching France although some companies are now using French haulage companies in an effort to avoid repetitions of last week's hijackings.

Italy to restructure sugar beet industry

By James Buxton in Rome

THE ITALIAN Government is planning a major restructuring of the beet sugar industry which would entail the shutting down of 12 out of 48 sugar refineries, and cost between L350bn (£148m) and L400bn.

The difficulties of the beet sugar industry were underlined recently by the failure of the Montesi group, which controls about 30 per cent of the market. Last month it was put into extraordinary administration—a form of receivership—owing at least L87bn to beet sugar growers.

Taking into account the debts of other companies, some 30,000 farmers are owed L143bn for their 1982 and 1983 crops.

The Italian beet sugar industry has too many inefficient refineries operating at too high a cost, the plan says. The Ministry of Agriculture estimates that Italian refineries cost more than twice as much to run as the average refinery elsewhere in the EEC.

The weakness of the refining industry was aggravated in 1982 when drought hit many beet sugar growers. This put extra financial pressure on the refiners who in many cases were unable to pay the growers. The growers responded by cutting the planted area from 310,000 hectares in 1981 to 215,000 hectares last year.

● F. O. Licht, the West German statistical organisation, has raised its estimate of the world 1983-84 sugar crop to 95.14m tonnes from the 94.48m it forecast in October.

The rise was signalled last month, however, when Licht increased its estimate for European production to 29.47m tonnes, up from 28.28m in the October report. Yesterday it raised its European figure to 29.81m tonnes, and lifted the Soviet output estimate to 8.4m

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 19 1984	+ or —	Month ago
Metals			
Aluminium	£1100	....	£1050
Free Mkt	$1588.610	....	$1588/610
Copper			
Cash h grade	£967.5	+5.5	£977.5
3 mths	£982.75	+6	£1003.75
Cash Cathode	£947	+1.5	£960
3 mths	£969.5	+5	£985.25
Gold troy oz	$374.875	+5.75	$377.875
Lead Cash	£271.5	+2	£276.25
3 mths	£280.125	+0.875	£286.25
Nickel	£4945	....	£4813
ree Mkt	208/228c	....	205/225c
Palladium oz	$159.25	+1	$165.50
Platinum oz	£264.95	+2	£270.70
Quicksilver†	$505/510	....	$505/512
Silver troy oz	581.15p	+12.45	611.60p
3 mths	593.90p	+12.40	625.00p
Tin cash	£8610	—30	£8337.5
3 month	£8757.5	—35.5	£8499.5
Tungsten	$74.41	+0.98	$74.70
Wolfr'm 22.04 lb	$74/77	....	$70/74
Zinc Cash	£694	+11	£607.5
3 mths	£687.5	+8.75	£621.75
Producers	$980	....	$950/980

	Jan. 19 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1090y	+15	$1020
Goundnut	‡	....	$865
Linseed Crude	‡	....	‡
Palm Malayan	$444w	....	$715
Seeds			
Copra Phil	$715v	+5	$670
Soyabean (U.S.)	$302.85y	....	$318.6
Grains			
Barley Fut. Mar	£120.40	—0.60	£123.20
Maize	£147.00	....	£148.00
Wheat Fut. Mar	£119.60	—0.35	£123.15
No 2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1944	+66	£1998
Fut. May	£1886.5	+73	£1937.5
Coffee Ft. Mar	£2054	+6.5	£1945
Cotton A.Index	87.90c	—0.15	89.15c
Gas Oil. Feb	$256	+5.25	$246.25
Rubber (kilo)	86.25p	+0.25	82.5p
Sugar (Raw)	£130yz	+2	£128
Wooltops 64s	‡	....	428pkilo

‡ Unquoted. w Feb. z March. v Feb-March. y Jan-Feb. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cent per pound.

GOLD MARKETS

Gold rose $5¾ to $374¼-375¼ on the London bullion market yesterday. It opened at $371-371¼, and was fixed at $373 in the morning, and $374¾ in the afternoon. The metal fell to a low of $370¾-371¼, and touched a peak of $376¾-377¼.

In Paris the 12½ kilo bar was fixed at FFr 103,100 per kilo ($375.10 per ounce) in the afternoon, compared with FFr 102,900 ($372.97) in the morning, and FFr 102,000 ($368.29) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,650 per kilo ($373.98 per ounce), against DM 33,510 ($369.98), and closed at $374¾-375¼, compared with $368½-369.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $372.90 per ounce, compared with $386.00.

In Zurich gold finished at $374½-375, against $368¾-369½.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Jan	375.00-78.00	+7.25	—
Feb	376.50-76.40	+6.00	327.00-71.80
April	381.30-82.20	+5.65	381.10-78.20
June	387.50-88.70	+6.00	—
Aug	394.50-95.50	+6.25	—
Oct	400.50-02.00	+6.50	401.60

Turnover: 504 (415) lots of 100 troy ounces.

	Jan. 19		Jan. 18	
Gold Bullion (fine ounce)				
Close	$374½-375¼	(£264-264½)	$368¾-369⅛	(£261.261½)
Opening	$371-371½	(£263-263½)	$368¼-369	(£261¾-262¼)
Morning fixing	$373	(£263.325)	$368.25	(£261.518)
After noon fixing	$374.75	(£263.500)	$368.75	(£261.895)

Gold and Platinum Coins Jan. 19

Krugrnd	$385-386½	(£272-272½)	King Sov	$91½-93	(£64½-65½)
½ Krg	$199-199¾	(£140¼-140¾)	Victoria Sov	$91½-93	(£64½-65½)
¼ Krg	$101½-102¼	(£71½-72)	French 20s	$73½-75	(£51½-52¼)
1/10 Krug	$41½-42¼	(£29¼-29¾)	50 pesos Mex	$461½-463½	(£325¼-326¾)
Mapleleaf	$385½-386¼	(£271¼-272¼)	100 Cor. Aust	$363-367	(£255¾-258¾)
New Sov	$88-88¾	(£62-62½)	$20 Eagles	$528-538	(£370-377)
½ New Sov	$52¾-53½	(£37¼-37¾)	Noble (Plat)	$387¾-391½	(£272½-275½)

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	29.25	+0.45	—
Mar	29.34	+0.14	29.25
Apr	29.28	+0.18	29.25
May	29.21	+0.16	29.20—
June	29.05	+0.14	—
July	29.05	+0.14	—

Turnover: 10 (20) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	258.00	+5.25	258.00-55.00
Feb	256.00	+5.25	258.00-52.75
Mar	250.75	+3.75	250.75-48.50
April	244.75	+4.00	244.75-42.50
May	240.25	+3.00	240.25-38.50
June	238.75	+3.00	238.75-36.00
July	239.00	+2.75	239.00-38.00
Aug	240.50	+4.50	240.50
Sept	243.00	+2.50	—

Turnover: 2,890 (2,548 lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.80	+0.1
Iranian Light	27.80-27.90	+0.05
Arab Heavy	26.30-26.45	—
North Sea (Forties)	29.50	+0.28
North Sea (Brent)	29.30-29.40	+0.05
African Bonny L'ht	29.55-29.65	+0.35
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	258-273	+0.5
Gas Oil	254-263	+1.5
Heavy fuel oil	173-177	—

EUROPEAN MARKETS

ROTTERDAM, Jan 19

Wheat—(U.S. $ per tonne): U.S. Red Winter Feb 162, March 162, April 163. U.S. No. 2 Northern Spring, 14 per cent protein, Feb 192, March 193, April/May 178.50, June 178.50, July 179. U.S. No. 3 Amber Durum Jan 206, Feb 208, March 210, April/May 194, June 194, July 193, Aug 192, Sept 189. Canadian Western Spring April/May 208, June 209.

PARIS, January 19

Cocoa—(FFr per 100 kg): March 2275-2279, May 2313-2317, July 2310 bid, Sept 2320 ask, Dec 2310 ask, March 2320 ask, May 2325 ask.

Sugar—(FFr per tonne): March 1950-1955, May 1910-1915, Aug 2005-2010, Oct 2075-2080, Dec 2150-2165, March 2270-2280.

Maize — (U.S. $ per tonne): U.S. Three Yellow afloat cif Ghent 157, Jan 156, Feb 154, March 153.50, April/June 153, July/Sept 151, Oct/Dec 138 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Jan 296.35, Feb 296, March 297, April 288.40, Sept 294, Oct 277.25, Nov 277.25, Dec 281.10, Jan 285.10 sellers.

Soyomeal—(U.S. $ per tonne): 44 per cent afloat 234 to 231 (depending on position), Jan 229.50, Feb 232, March 233, April/Sept 232, Nov/March 228 sellers. Pellets Brazil March 250, April 243, April/Sept 240, May/Oct 341 sellers. Pellets Argentine afloat 245, Feb 243.50, May/Sept 238, July/Sept 238.50, May/Oct 238 sellers.

BRITISH COMMODITY PRICES

BASE METALS

ZINC PRICES continued to move ahead on the London Metal Exchange following renewed and substantial demand for cash metal and strong buying of forward materials following the latest European producer price increases. Forward metal touched £694.5 in early trading, with the backwardation widening further to £15, before easing to close the late Kerb at £685; the backwardation contracted to £7 on the late Kerb. COPPER gained ground owing to the strength of precious metals and the production cutback at Kennecott's Utah division, with three months closing the late Kerb at £985. European physical demand in LEAD was only partly offset by further fund selling and three months metal closed firmer at £282.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	955-.5	+1.5	967-8	+5.5
3 months	980-1	+2.5	982.5-3	+6
Settlem't	955.5	+1.5	—	—
Cathodes				
Cash	944-5	—4	946-8	+1.5
3 months	964-6	—2.5	969-70	+5
Settlem't	945	—4	—	
U.S. pro'd	—	—	*64-66	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £955.5, three months £982, 82.5, 83, 82.5, 82, 81.5, 81, 80, 80.5. Cathodes: Cash £947, 46, three months £965. Kerb: Higher Grade: Three months £980.5, 8. Afternoon: Higher Grade: Three months £983.5, 83, 82.5. Cathodes: Cash £946, three months £969. Kerb: Higher Grade: Three months £982.5, 83, 83.5, 84, 84.5. Turnover: 21,500 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8700-5	+7.5	8690-700	—18
3 months	8780-5	—30	8780-90	—32.5
Settlem't	8705	+5	—	......
Standard				
Cash	8610-5	—20	8605-15	—38
3 months	8760-5	—25	8755-60	—35.5
Settlem't	8615	—20	—	......
Straits E	829.15	—	—	......
New York				

Tin—Morning: Standard: Cash £8,615, three months £8,765, 70, 75, 65, 60. High Grade: Cash £8,700. Kerb: Standard: Three months £8,760. Afternoon: Standard: Three months £8,760, 45, 50, 55. High Grade: Three months £8,770, 90. Kerb: Standard: Three months £875. Turnover: 2,800 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	274.5-5	—1.62	271-2	+2
3 months	283.5-4	—1.5	280-.25	+.875
Settlem't	275	—1.5	—	......
U.S. Spot	—	......	*24-26	......

Lead—Morning: Cash £275, three months £284, 84.5, 84. Kerb: Three months £284, 83, 82.5, 82. Afternoon: Three months £281, 80.5. Kerb: Three months £281, 82, 82.5, 82. Turnover: 9,650 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	695-6	+12	693-5	+11
3 months	687-.5	+8	687-8	+8.75
Settlem't	696	+12	—	......
Primw'ts	—	......	*49-51	......

Zinc—Morning: Three months £690, 89, 88, 87, 86, 87, 87.5. Kerb: Three months £688, 87.5, 87. Afternoon: Three months £689, 90, 88, 89, 88, 87, 86, 85, 84, 85, 85.5, 86, 87, 88. Kerb: Three months £687.5, 87, 86, 85.5, 85. Turnover: 21,550 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1099-100	—5	1100.5-1.5	—.5
3 months	1128-.5	—6	1129.5-30	—.5

Aluminium—Morning: Three months £1,125, 26, 27, 28, 28.5. Kerb: Three months £1,127, 28. Afternoon: Three months £1,127, 27.5, 27, 28, 29. Kerb: Three months £1,129, 30, 29, 28.5, 29, 29.5. Turnover: 16,250 tonnes.

NICKEL

Nickel — Morning: Three months £3,380, 65, 70, 75, 80. Kerb: Three months £3,370. Afternoon: Three months £3,385, 75. Kerb: Three months £3,370, 65. Turnover: 6,930 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3300-5	......	3300-5	+32.5
4 months	3377-80	—5	3375-85	+21.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 12.45p an ounce higher for spot delivery in the London bullion market yesterday at 581.15p. U.S. cent equivalents of the fixing levels were: spot 824.4c, up 23.1c; three-month 843.5c, up 23.2c; six-month 864.4c, up 23.5c; and 12-month 908.5c, up 24.6c. The metal opened at 574½-577½p (811-815c) and closed at 582½-585½p (827-831c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	581.15p	+12.4	585.5p	+13.0
3 months	593.90p	+12.4	598.75p	+12.7
6 months	608.00p	+12.5	—	......
12months	637.00p	+13.8	—	......

LME—Silver (2,000 oz contract) — Three months 603p (586p). Turnover 1 (0).

Turnover: 42 (95) lots of 10,000 ozs. Morning: Large three months 592.5, 93, 96, 95.5, 96.2; small three months 592. Kerb: large three months 596, 95.5, 95. Afternoon: large three months 600, 01, 600, 599, 98.5. Kerb: large three months 598, 600, 599.5, 99.

COCOA

An extended opening call saw prices move almost £50 higher and hold these levels through an active day to a fully steady close. Apart from limited offtake for the near positions, physicals failed to reflect the interest shown in futures, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1883-84	+66.5	1896-18
May	1886-87	+73.0	1895-23
July	1893-98	+91.0	1900-80
Sept	1877-79	+88.5	1879-14
Dec	1859-60	+80.5	1862-95
March	1848-49	+71.5	1850-85
May	1800-40	+50.0	—

Sales: 11,828 (8,998) lots of 10 tonnes.

ICCO Indicator prices (U.S. cents per pound). Daily prices for Jan 19: 117.09 (112.57); five-day average for Jan 20: 113.89 (114.01).

COFFEE

During a quiet opening London posted small gains in light volume, reports Drexel Burnham Lambert. Trade and dealer pressure around the recent highs prompted at £10-15 retracement before a steadier New York market and lower sterling lent fresh support. Commission house buying restored values to the higher levels.

COFFEE	Yest'day's Close	+ or —	Business Done
January	2050-53	+4.5	2060-36
March	2053-55	+6.5	2067-38
May	1942-45	+4.0	1945-34
July	1897-99	+16.5	1900-80
Sept	1848-52	+14.5	1848-35
Nov	1822-24	+14.0	1822-05
January	1797-00	+14.0	1797-80

Sales: 2,781 (2,259) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Jan 18: Comp daily 1979 138.13 (138.09); 15-day average 137.14 (137.23).

GRAINS

Old crop wheat and barley eased on weaker physical trade with a good switch volume. Values remained in a narrow range with profit-taking at the lower levels. New crops eased on hedge selling, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Jan	118.10	—0.20	118.65	—0.40
Mar	119.60	—0.35	120.40	—0.60
May	121.50	—0.20	121.00	—0.45
July	122.00	—0.50	—	—
Sept	108.05	—0.30	106.90	—0.10
Nov	110.90	—0.35	110.00	—0.20

Business done—Wheat: Jan 118.20-8.00, March 119.80-9.50, May 121.50-1.25, July 122.10-2.00, Sept 108.20 only, Nov 111.15-10.95. Sales: 317 lots of 100 tonnes. Barley: Jan 118.70-8.65, March 120.70-20.20, May 121.10-20.60, Sept 106.90-6.75, Nov 110.20-10.00. Sales: 322 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent, Feb/March 147.75, Apr/May and June 138 trans shipment East Coast sellers. English feed fob Feb 124, Apr/June 126. East Coast sellers. Maize: French Jan 147, Feb 148. East Coast sellers. Barley: English feed fob Jan and Feb 125.50, March 126.75. East Coast sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S East 120.40, S West 120.20, N West 119.30. The UK monetary coefficient for the week beginning Monday January 26 is expected to remain unchanged.

POTATOES

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	156.00	148.00	157.00-151.0
April	199.10	188.70	203.00-198.0
May	209.90	198.60	212.00-200.0
Nov	75.00	76.00	—
Feb	86.00	88.00	88.00

Sales: 1,692 (1,019) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, attracted little buying interest throughout the day and closed uncertain, reports Lewis and Peat. The Kuala Lumpur February fob price for RSS No. 1 was 286.0 (286.5) a kg and SMR 20 225.5 (226.0).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	866-895	860-883	—
Mch	880-895	870-890	—
Apl-Jne	893-894	892-894	895-890
Jly-Sept	903-904	902-903	905-903
Oct-Dec	914-916	913-916	914
JanMch	924-927	923-926	—
Apl-Jne	935-942	934-938	935-934
Jly-Sept	948-949	946-950	949
Oct-Dec	958-975	958-974	—

Sales: 174 (144) lots of 15 tonnes: nil (nil) lots of 5 tonnes.

Physical closing prices (buyers): spot 86.25p (86.00p); Feb 87.75p (same); March 88.25p (same).

SOYABEAN MEAL

The market opened unchanged in quiet conditions, T. G. Roddick. Prices remained steady in narrow ranges before some profit-taking eased the market which closed mixed.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	160.80-61.20	+1.25	161.00-60.00
April	166.80-67.00	—	168.20-66.80
June	165.00-66.00	—0.40	166.50-65.60
August	165.50-68.00	+0.10	165.50
October	164.40-66.50	+0.45	—
Dec	163.50-65.50	+1.50	—
Feb	164.00-66.50	+1.75	—

Sales: 107 (205) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £130.00 ($184.00), up £5.50, a tonne for Jan-Feb-March shipment. White sugar $214.50, up $4.50.

The market rallied $5 following rumours that the Philippines were delivering Dominican sugar against some long-term sales. However, New York turned easier later and half the gains were lost, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	141.68	137.55	143.25-37.75
May	146.45	143.75-43.80	148.75-45.60
No. 6 Contract	**$ per tonne**		
Mar	200.63-01.80	195.20-95.80	203.20-95.20
May	209.20-09.90	203.40-04.00	211.40-05.60
Aug	217.20-17.80	211.00-12.00	219.20-14.20
Oct	225.00-25.80	219.00-20.00	226.40-19.40
Dec	231.00-33.00	225.00-27.00	—
Mar	247.50-48.00	241.00-43.00	—
May	255.00-56.00	248.00-51.00	—

Sales: No. 4 2,149 (1,444); No. 6 767 (992) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £237.00 (£231.50) a tonne for export.

International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbean ports). Prices for Jan 18: Daily price 7.01 (6.87); 15-day average 6.96 (same).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 100 tonnes. Operations were renewed on a reasonable scale, and business was done in various American styles. Turkish and Russian growths also attracted attention once more.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan unquoted, 409; March 422, 428, 424-423; May 437, 438, 437-436; Aug 455, 456, 455-452; Oct 458, 460, 460-458; Dec 460, 464, 464-467; Jan 463, 466, 466-458; March 73, 75, 472-470; May 478, 480, 477. Sales: 105.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 576.0, 578.0, 578.0-576.0; May 593.0, 594.0, 594.5-594.0; July 607.0, 610.0, 607.0-606.5; Oct 591.5, 593.0, 592.5-592.0; Dec 600.2, 603.0, 602.9-602.0; March 611.0, 615.0, 614.0-612.0; May 619.0, 622.0, untraded; July 630.0, 636.0, untraded. Sales: 42.

INDICES

FINANCIAL TIMES

Jan. 18	Jan. 17	M'th ago	Y'ar ago
290.60	291.81	294.63	247.64

(Base: July 1 1952=100)

REUTERS

Jan. 19	Jan. 18	M'th ago	Y'ar ago
1977.9	1970.8	1969.1	1621.4

(Base: September 18 1931=100)

MOODY'S

Jan. 18	Jan. 17	M'th ago	Year ago
1050.0	1040.9	1056.2	1045.6

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Jan. 18	Jan. 17	Month ago	Year ago
Spot	136.37	136.01	139.02	142.5
Fut's	138.6	138.85	141.36	146.62

(Base: September 18 1931=100)

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 97.07p per kg lw (+0.68). GB—Sheep 160.41p per kg est dcw (+8.30). GB—Pigs 77.88p per kg lw (+1.80).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 79.0-86.0. Lamb—English small 68.0-74.0, medium 64.0-70.0, heavy 62.0-63.0; Imported: New Zealand PL 59.3-60.0, PX 56.3-57.3. Pork—English under 100 lb 44.5-54.5, 100-120 lb 48.0-53.0, 120-160 lb 40.0-50.0

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Minneolas—Jaffa: 4.90-5.80; Orlandos: Jaffa: 4.60-5.25. Satsumas — Spania: 2.40-2.80. Clementines—Spania: 82/120 4.00-4.20, 132/168 3.80-4.00, 102/210 3.50-3.60; Moroccan: 2 3.60, 3 3.50, 4 3.30, 5 3.00. Oranges — Spania: 4.50-5.00; Moroccan: 3.50-4.80; Jaffa: Navels 16-kg carton 40 4.00, 48 4.00, 56 3.70, 72/88 3.60, 100 3.90, 113 4.00; 21-kg Bruce 56 4.65, 60 5.20, 75 4.96, 88 4.80, 105/123 4.70, 144 4.40; Shamoutis: 20-kg 56 4.75, 60 4.90, 75 5.10, 88 5.00, 105 4.90, 123 4.80, 144 4.50, 168 4.40; Cyprus: Ovals approx 15-kg 3.50-4.00; Cuban: Tropical 72 5.80-6.00.

Bitters—Spania: Sevilles 6.20-6.50; Italian: 3.00-3.50. Lemons — Italian: carton 5.00-5.50; Cyprus: 10-kg boxes 2.50-4.00; Greek: 15-kg 5.80-6.00; Spania: 5-kg 1.80-2.20; Jaffa: 4.00-5.20. Grapefruit—Jaffa: 20-kg 5.00, 36 5.30, 40 5.40, 48 5.10, 56 4.90, 64 4.50, 75 4.20, 88 4.00. Sunrise 23 5.60, 32/48 5.85, 56 5.70; U.S.: Ruby 7.00-8.00; Cyprus: 32 4.40, 40 4.20, 48 3.70-4.00, 56 3.40-3.60, 64 3.20. Pomelos—Jaffa: 5.20-6.60. Kumquats — Moroccan: per pound 1.20; Israeli: 1.10-1.20.

Apples — French: Golden Delicious carton 5.50-7.00 Granny Smith carton 8.50-9.00. Starkcrimson carton 7.00-7.50; Italian: Golden Loose per pound 0.13-0.14; Hungarian: approx 19-kg Starking 6.20-6.40; U.S.: Red Delicious carton 13.00-14.00; British Colombian: Red Delicious 11.00-12.00. Pears—Per pound Italian: Passacrassana 0.14-0.16; Dutch: Comice 0.23-0.25. Peaches—Cape: 4.50-5.50. Apricots—Cape: 4.50-5.00. Nectarines — Cape: 5.50-6.50. Plums—Cape: Santa Rosa tray 4.70-5.50, Ruby Nel 4.70-5.00, Gaviota 4.50-5.00.

Strawberries — Israeli: punnet 1.30-1.50; Portuguese: 1.20-1.50. Grapes—Cape: approx 5-kg Sultana 13.00-14.00; Spanish: per pound, Almeria 0.25-0.30. Napoleon 0.30-0.32; Zimbabwe: Thompson 11.00-12.00. Melons — Spanish: 10-kg green 5.00-6.00, 15-kg green 12.00-14.00; S. Africa: Ogen 6.00-7.00, Rock 5.00-6.00. Sharon Fruit—Israeli: 12/15's 2.60-2.80. Bananas—Colombian: 40-lb boxes 9.60-10.00; Martinique: 33-lb 7.00-7.20. Avocados — Israeli: 2.50-3.50; Canary: 4.50-5.00.

Pineapples — Each: Ivory Coast: D 0.40-0.45, C 0.70-0.75, B 0.80-0.90, A 1.40-1.50; Cape: 9's 0.35-0.40, 8's 0.40-0.45, 7's 0.50-0.55, 6's 0.60-0.65, 5's 0.75-0.80, 4's 0.90-1.00; Ghana: each 1.20-1.40; Kenyan: 1.30-1.50. Paw Paws—Brazilian: 6.50-7.00. Mangoes — Brazilian: 6.00-7.00. Kiwifruit — New Zealand: 8.50-9.50; Italian: 4.50-6.50; French 6.00. Litchees—S. African: per pound 0.80-0.90.

AMERICAN MARKETS

NEW YORK, January 19.

Heating oil prices were trading mostly limit up as abnormally cold weather contributed to spot shortages, reports Heinold Commodities. A forecast of very low temperatures through this weekend indicates further upside potential. Copper prices rallied sharply on arbitrage buying and on short-covering induced by stop-loss orders. Aluminium prices were moderately higher in sympathy with precious metals and on buying off sterling. Precious metals were sharply higher on overseas buying which touched off local short-covering; the firm tone in the currencies also helped attract commission house buying. Sugar was moderately higher as trade support developed triggering some commission house short-covering. Cocoa prices rose strongly, trading mostly limit-up following Nigerian declarations that shipments would be temporarily suspended. Coffee prices were higher mostly on arbitrage support with fundamental market news lacking. Cotton prices moved moderately higher on active commission house support and on anticipation of official confirmation of Soviet purchases. Soyabeans opened strong but finished with moderate gains despite late heavy selling. Wheat and maize closed lower on heavy selling against long soya positions.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	77.70	77.80	77.25	77.25
May	78.25	78.40	77.80	77.85
July	79.20	79.15	79.15	78.80
Sept	80.15	80.20	80.15	79.75
Dec	81.55	—	—	81.15
Jan	82.00	—	—	81.60
March	82.95	—	—	82.55
May	83.90	—	—	83.50
July	84.85	—	—	84.45
Sept	85.80	—	—	85.40

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2540	2548	2470	2406
May	2489	2489	2483	2401
July	2478	2478	2455	2390
Sept	2466	2468	2455	2378
Dec	2448	2448	2425	2360
March	2438	2438	2438	2350

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	142.77	42.90	41.70	41.98
May	137.74	37.85	37.20	37.20
July	135.35	35.49	35.00	35.00
Sept	132.90	33.40	33.00	32.80
Dec	130.65	31.75	31.30	30.46
March	127.14	—	—	27.88
May	126.25	27.75	27.75	27.00

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	75.79	76.40	75.50	75.84
May	76.61	76.90	76.25	76.60
July	76.85	77.30	76.65	76.95
Oct	72.82	73.05	72.60	72.85
Dec	71.55	71.70	71.18	71.50
March	72.85	—	—	72.60
May	73.50	—	—	73.36

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	62.00	—	—	60.70
Feb	62.15	—	—	60.85
March	62.75	62.85	62.10	61.50
May	64.00	64.10	63.40	62.80
July	65.35	65.50	64.75	64.10
Sept	66.70	66.75	66.15	65.40
Dec	68.75	68.90	68.20	67.45
Jan	69.45	—	—	68.15
March	70.80	70.80	70.30	69.50
May	72.10	71.95	71.95	70.80

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
March	29.91	30.05	29.80	29.68
April	29.76	29.90	29.70	29.53
May	29.60	29.80	29.60	29.45
June	29.58	29.70	29.55	29.38
July	29.64	29.64	29.50	29.31
August	29.49	29.49	29.49	29.11
Sept	29.55	29.55	29.55	29.35
Oct	29.50	29.50	29.50	29.30
Nov	29.50	29.50	29.50	29.30
Dec	29.50	29.50	29.50	29.30

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	374.6	—	—	369.3
Feb	375.3	378.0	373.5	370.2
March	378.3	379.0	379.0	373.1
April	381.3	384.4	379.4	376.0
June	387.4	390.5	385.5	382.0
August	393.8	395.4	393.5	388.3
Oct	401.4	401.5	398.0	394.8
Dec	408.2	408.0	405.0	401.5
Feb	415.0	415.0	415.0	408.4
April	421.4	420.5	420.5	415.5
June	428.9	425.0	425.0	422.9
August	436.7	—	—	430.6
Oct	444.7	447.0	447.0	438.8

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	93.50	94.10	91.00	89.68
March	85.05	85.12	84.00	83.12
April	78.55	79.45	78.00	77.92
May	75.95	75.90	75.90	75.60
June	75.60	76.10	76.50	75.10
July	76.25	76.25	76.20	75.60
August	76.91	—	—	75.90
Sept	77.50	—	—	76.35
Oct	78.60	—	—	77.55

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	155.30	56.00	55.00	55.70
May	156.90	59.50	56.70	56.90
July	157.10	59.25	57.00	57.30
Sept	158.15	59.10	57.10	57.75
Nov	157.00	58.00	55.50	56.75
Jan	154.00	54.90	53.65	53.50
March	154.25	54.70	54.00	53.25
May	154.25	—	—	53.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	376.7	379.0	375.5	369.9
Feb	379.0	—	—	—
April	383.8	385.9	380.5	376.9
July	390.6	392.0	388.5	383.7
Oct	397.4	398.0	398.2	390.5
Jan	404.4	—	—	397.5
April	403.5	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Latest	High	Low	Prev
Jan	821.0	821.0	821.0	804.0
Feb	825.7	—	—	805.7
March	840.0	847.0	829.0	812.0
May	857.0	862.0	843.0	825.7
July	870.0	874.0	857.0	839.5
Sept	886.2	887.0	882.0	853.7
Dec	907.7	913.0	892.0	875.4
Jan	915.4	913.0	900.0	882.9
March	930.9	924.0	924.0	898.1
May	947.3	—	—	913.8

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	7.88	8.01	7.68	7.80
May	8.23	8.35	8.01	8.12
July	8.58	8.65	8.35	8.43
Sept	8.83	8.87	8.67	8.67
Oct	8.97	9.07	8.75	8.85
Jan	9.60	9.50	9.42	9.33
March	9.90	10.00	9.76	9.81

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	70.00	71.42	70.00	71.50
April	68.07	69.20	68.07	69.57
June	66.25	67.25	66.22	67.72
August	64.67	65.35	64.55	65.55
Oct	62.67	63.25	62.65	63.30
Dec	63.60	64.25	63.60	64.32

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	52.72	54.25	52.72	54.22
April	49.02	50.40	49.02	50.52
June	53.92	55.45	53.92	55.42
July	54.62	55.90	54.62	56.12
August	54.10	55.30	54.00	55.35
Oct	51.32	52.45	51.30	52.42
Dec	53.05	53.70	53.05	53.80
Feb	52.65	53.35	52.65	53.45
April	50.00	50.00	50.00	51.25

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	327.2	331.2	326.4	328.4
May	329.4	333.0	329.2	330.6
July	329.2	332.4	329.0	330.6
Sept	303.2	305.6	303.2	304.0
Dec	288.6	291.0	288.2	289.0
March	300.4	300.6	298.6	299.8
May	307.0	307.0	306.4	306.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	67.25	69.20	67.25	69.25
March	67.82	69.80	67.82	69.62
May	69.25	70.90	69.25	71.25
July	69.32	71.05	69.25	71.25
August	67.50	69.20	67.50	69.50

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	735.0	739.0	730.0	726.0
March	745.4	751.0	742.0	739.4
May	761.0	765.0	757.0	754.0
July	769.0	775.0	766.0	762.6
August	763.4	768.0	762.4	757.6
Sept	735.0	737.0	730.4	728.0
Nov	717.4	718.0	712.4	709.2
Jan	730.4	731.0	727.0	722.0
March	744.0	745.0	739.4	735.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	199.8	201.0	199.0	198.5
March	199.6	201.0	198.3	198.0
May	201.0	202.5	199.4	199.7
July	201.1	203.5	201.0	200.8
August	202.5	203.0	201.3	200.2
Sept	199.5	199.9	197.5	197.0
Oct	192.9	192.9	190.5	190.5
Dec	194.3	194.5	192.0	190.9
Jan	195.5	195.5	194.0	190.9
March	196.5	—	—	194.0

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	343.4	350.2	341.4	348.4
May	344.6	350.0	343.4	348.0
July	339.0	341.6	337.4	340.0
Sept	345.4	348.0	344.4	347.0
Dec	359.4	361.4	358.4	361.0
March	369.0	370.2	368.6	370.0

SPOT PRICES—Chicago loose lard 26.00 (26.50) cents per pound. New York tin 568.0-576.0 (568.0-574.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak ahead of GNP

The dollar lost ground in currency markets yesterday in nervous trading. The market showed some nervousness ahead of today's U.S. fourth quarter Gross National Product figures which may confirm recent economic statistics indicating a slowdown in U.S. economic growth. Euro-dollar rates were virtually unchanged however with concern over the effect of this year's refunding programme on interest rates. There appeared to be little hope of the Federal authorities relaxing current credit policies.

The dollar fell in the morning in busy trading but activity faded during the afternoon with the dollar finishing around the middle of the day's range. Some resistance was seen at DM 2.79 against the D-mark but this was soon broken and the dollar slipped to a low of DM 2.7840 before recovering to finish at DM 2.7910 down from DM 2.8075 on Wednesday. It fell against the Swiss franc to SwFr 2.2220 from SwFr 2.2330 and FFr 8.5425 from FFr 8.59. Against the yen it eased to Y233.20 from Y233.60. On Bank of England figures, the dollar's trade weighted index fell to 131.0 from 131.7.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. December average 1.4344. Trade weighted index 82.3 unchanged from noon and up from 82.1 at the opening and 82.0 on Wednesday but down from 84.5 six months ago.

Sterling rose to $1.4260 against the dollar from an opening level of $1.4120 but eased back to finish at 1.4185-1.4195, a rise of 60 points from Wednesday. Against the D-mark it slipped to DM 3.9625 from DM 3.97 and SwFr 3.1550 from SwFr 3.1575. It was also lower against the French franc at FFr 12.1175 from FFr 12.1350 but rose in terms of the yen to Y331.25 from Y330.5.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. December average 2.7487. Trade-weighted index .... against 126.7 six months ago.

The D-mark was generally firm at the Frankfurt fixing, improving against the dollar, sterling, Swiss franc and Japanese yen. The Bundesbank did not intervene when the dollar fell to DM 2.7940 from DM 2.8170 at the fixing, reflecting nervousness ahead of the central bank council meeting, where interest rates were left unchanged. The easing of the dollar was also the result of speculation that U.S. fourth quarter GNP may be lower than last month's flash estimate of 4½ per cent. Sterling was fixed at DM 3.9630, compared with DM 3.9670, the Swiss franc at DM 1.2561, against DM 1.2582, and the yen at DM 1.1980 per 100 yen, compared with DM 1.2040. Within the EMS the French franc fell to DM 32.685 per 100 francs from DM 32.705, but the guilder improved to DM 88.870 per 100 guilders from DM 88.840.

ITALIAN LIRA — Trading range against the dollar in 1983-1984 is 1,720.75 to 1,343. December average 1,666.475. Trade-weighted index .... against 51.2 six months ago. The lira lost ground to most currencies at the Milan fixing, but was firmer in terms of the dollar and Japanese yen. The lira has tended to improve against the dollar during the last week, but has weakened within the EMS in calm and quiet trading. The dollar was fixed at L1,699.75, compared with L1,710, and the yen at L7.294, against L7.309. Currencies of Italy's major trading partners have advanced however, with the D-mark rising to L608.41 from L607.28, and L605.81 last Thursday. At the same time the French franc rose to L198.92 at the fixing from L19.61, and L198.21 a week ago.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0640	+2.59	+1.88	±1.5447
Danish Krone ...	8.14104	8.17568	+0.44	−0.27	±1.6425
German D-Mark	2.24184	2.25676	+0.67	−0.04	±1.0642
French Franc ...	6.87456	6.90758	+0.48	−0.23	±1.4052
Dutch Guilder ...	2.52595	2.54022	+0.56	−0.15	±1.4964
Irish Punt	0.72569	0.728528	+0.39	−0.32	±1.6699
Italian Lira	1403.49	1373.68	−2.12	−2.12	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Jan. 19	Previous
Spot	$1.4195-4205	$1.4115-30
1 month	0.63-0.07 dis	0.05-0.06 dis
3 months	0.14-0.18 dis	0.15-0.17 dis
12 months	0.65-0.80 dis	0.75-0.80 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4095-1.4260	1.4185-1.4195	0.03-0.08c dis	−0.46	0.13-0.18dis	−0.44
Canada	1.7600-1.7760	1.7675-1.7685	0.05-0.15c dis	−0.68	0.20-0.30dis	−0.56
Nethlnd.	4.44½-4.47½	4.45½-4.46½	1½-1c pm	3.36	3⅞-3⅝ pm	3.25
Belgium	80.65-81.15	80.80-80.90	2-12c dis	−1.04	28-38 dis	−1.63
Denmark	14.32-14.38	14.34½-14.35½	2⅝-3⅛ore dis	−2.72	6⅝-7⅝ dis	−2.02
Ireland	1.2760-1.2830	1.2775-1.2785	0.25-0.35p dis	−2.82	0.80-0.90dis	−2.66
W. Ger.	3.95¼-3.97¼	3.95¾-3.96¾	1⅛-⅞pf pm	3.41	3⅛-3 pm	3.28
Portugal	190.25-192.25	190.75-191.25	145-345c dis	−15.39	510-1015dis	−15.97
Spain	224.20-226.00	224.70-224.90	175-225c dis	−10.68	545-610dis	−10.27
Italy	2,404-2,415	2,412-2,414	15½-17⅜ lire dis	−8.08	47½-49½ dis	−8.04
Norway	11.06-11.12½	11.08½-11.09½	3½-4¼ore dis	−4.26	10⅛-10⅞ dis	−3.79
France	12.09-12.15	12.11¾-12.12¾	2⅝-3⅛c dis	−3.22	11¾-12¾ dis	−4.04
Sweden	11.54-11.60	11.56-11.57	1½-2ore dis	−1.81	6-6½ dis	−1.81
Japan	329½-332½	330¾-331¾	0.90-0.80y pm	3.08	2.55-2.45 pm	3.02
Austria	27.80-28.00	27.85-27.90	8⅝-6⅝gro pm	3.20	23⅝-19⅝ pm	3.08
Switz.	3.14-3.17	3.15-3.16	1⅞-1⅝c pm	6.18	4⅝-4⅛pm	5.70

Belgian rate is for convertible francs. Financial franc 82.15-82.25. Six-month forward dollar 0.28-0.33c dis, 12-month 0.75-0.85c dis.

THE DOLLAR SPOT AND FORWARD

Jan 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4095-1.4260	1.4185-1.4195	0.03-0.08c dis	−0.46	0.13-0.18dis	−0.44
Ireland	1.1065-1.1125	1.1095-1.1105	0.22-0.18c pm	2.16	0.53-0.48 pm	1.82
Canada	1.2455-1.2480	1.2455-1.2460	par-0.02c dis	−0.10	par-0.02 dis	−0.03
Nethlnd	3.1410-3.1475	3.1410-3.1430	1.05-0.95c pm	3.82	2.95-2.85 pm	3.69
Belgium	56.90-57.15	56.95-56.97	3-4½c dis	−0.79	16-18 dis	−1.19
Denmark	10.10-10.14	10.10⅛-10.10⅝	0.90-1.40ore dis	−1.36	1.00-1.50dis	−0.49
W. Ger.	2.7840-2.8070	2.7905-2.7915	0.95-0.90pf pm	3.98	2.65-2.60 pm	3.77
Portugal	134.45-135.50	134.50-135.00	100-225c dis	−14.46	350-700dis	−15.58
Spain	158.35-159.00	158.40-158.60	120-150c dis	−10.22	350-400 dis	−9.47
Italy	1,698-1,703	1,700½-1,701½	10¾-11½ lire dis	−7.85	31¾-32¾ dis	−7.59
Norway	7.8125-7.8400	7.8125-7.8175	2.15-2.65ore dis	−3.68	6.20-6.70dis	−3.30
France	8.5200-8.5900	8.5400-8.5450	1.90-2.05c dis	−2.78	7.40-7.80dis	−3.56
Sweden	8.1500-8.1780	8.1500-8.1550	0.65-1.15ore dis	−1.32	2.55-3.05dis	−1.37
Japan	232.90-233.90	233.15-233.25	0.74-0.70y pm	3.70	2.05-2.00 pm	3.47
Austria	19.64-19.72	19.65-19.66	6.30-5.70gro pm	3.66	18.50-16.50pm	3.56
Switz.	2.2165-2.2365	2.2215-2.2225	1.22-1.17c pm	6.45	3.43-3.38 pm	6.13

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.90-57.95.

OTHER CURRENCIES

Jan. 19	£	$		£ Note Rates
Argentina Peso...	35.66-35.74	25.10-25.13	Austria........	27.75-28.05
Australia Dollar..	1.5730-1.5760	1.1090-1.1100	Belgium	81.20-82.00
Brazil Cruzeiro...	1,457.9-1,466.1	1,026-1,031	Denmark	14.29-14.43
Finland Markka..	8.3575-8.4085	5.9125-5.9175	France	12.08-12.20
Greek Drachma..	144.45-144.85	102.10-102.60	Germany........	3.94¾-3.98¾
Hong Kong Dollar	11.06¾-11.07¾	7.7950-7.7970	Italy	2405-2445
Iran Rial........	125.35*	89.05*	Japan........	328-333
Kuwait Dinar (KD)	0.4170-0.4180	0.29390-0.29400	Netherlands.....	4.44-4.48
Luxembourg Fr...	80.80-80.90	56.95-56.97	Norway	11.05-11.16
Malaysia Dollar..	3.3210-3.3270	2.3390-2.3405	Portugal........	190-213
New Zealand Dlr.	2.1800-2.1850	1.5370-1.5395	Spain........	225-235
Saudi Arab. Riyal	4.9850-4.9900	3.5085-3.5105	Sweden........	11.52-11.63
Singapore Dollar.	3.0200-3.0260	2.1275-2.1290	Switzerland	3.14½-3.17½
Sth. African Rand	1.7615-1.7640	1.2415-1.2430	United States...	1.41-1.43
U.A.E. Dirham...	5.2160-5.2215	3.6720-3.6730	Yugoslavia.......	200-217

* Selling rates.

CURRENCY RATES

Jan. 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.731667	0.570119
U.S. $	8½	1.03765	0.807573
Canadian $ ...	9.99	*	1.00688
Austria Sch ..	3¾	20.4376	15.9011
Belgian Fr ...	10	59.1746	46.0640
Danish Kr.....	7	10.6192	8.17668
D'mark	4	2.89919	2.25676
Guilder.......	5	3.26393	2.54022
French Fr....	9½	8.87087	6.90758
Lira	17	1763.75	1373.68
Yen	5	242.654	188.867
Norwgn Kr ..	8	8.13206	6.31926
Spanish Pta.	—	164.675	128.202
Swedish Kr..	8½	8.49420	6.59656
Swiss Fr	4	2.31012	1.79588
Greek Dr'ch	20½	106.297	82.6309

* C$/SDR rate for Jan 18: 1.29130.

CURRENCY MOVEMENTS

Jan. 19	Bank of England Index	Morgan Guaranty Changes %
Sterling..............	82.3	−8.2
U.S. dollar............	131.0	+18.6
Canadian dollar....	92.4	+0.6
Austrian schilling.	113.7	+2.6
Belgian franc.......	88.9	−12.2
Danish kroner......	77.7	−5.4
Deutsche mark. ...	123.8	+6.6
Swiss franc.......	150.4	+14.1
Guilder..............	113.6	+3.7
French franc	65.6	−15.8
Lira..................	48.5	−12.5
Yen..................	157.5	+13.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

EXCHANGE CROSS RATES

Jan. 19	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.419	3.965	331.5	12.118	3.156	4.460	2413.	1.768	80.85
U.S. Dollar	0.705	1.	2.791	233.2	8.543	2.222	3.143	1701.	1.246	56.96
Deutschemark	0.252	0.358	1.	83.60	3.058	0.796	1.126	609.0	0.446	20.40
Japanese Yen 1,000	3.019	4.284	11.96	1000.	36.58	9.525	13.46	7285.	5.337	244.1
French Franc 10	0.825	1.171	3.270	273.4	10.	2.604	3.681	1991.	1.459	66.72
Swiss Franc	0.317	0.450	1.256	105.0	3.841	1.	1.414	764.8	0.560	25.63
Dutch Guilder	0.224	0.318	0.888	74.27	2.717	0.707	1.	541.0	0.396	18.13
Italian Lira 1,000	0.414	0.588	1.642	137.3	5.022	1.308	1.848	1000	0.733	33.51
Canadian Dollar	0.566	0.803	2.241	187.4	6.854	1.785	2.523	1365.	1.	45.73
Belgian Franc 100	1.237	1.755	4.901	409.7	14.99	3.902	5.516	2985.	2.187	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term.........	9⅛-9¼	9⅜-9⅝	9½-10	5¾-5⅞	1¾-1⅞	5⅜-5⁹⁄₁₆	12-12¼	16-17	10¼-10¾	10¼-10½	5⁷⁄₁₆-5⁹⁄₁₆	11-12
7 day's notice....	9-9¼	9⅜-9⅝	9½-10	5¹¹⁄₁₆-5¹³⁄₁₆	2-2⅛	5⁷⁄₁₆-5⅝	12-12¼	16½-18	10¼-10¾	10¼-10¾	5⅞-6	11-12
Month	9⁵⁄₁₆-9⁷⁄₁₆	9⁷⁄₁₆-9¹¹⁄₁₆	9⁵⁄₁₆-9¹¹⁄₁₆	5¹¹⁄₁₆-5¹³⁄₁₆	3¼-3⅜	5¹¹⁄₁₆-5¾	12⅞-12⅝	16⅞-17⅞	10½-11	10⅜-10⅝	5¹³⁄₁₆-6¹⁄₁₆	11½-12½
Three months	9⅜-9½	9⅝-9⅞	9¹¹⁄₁₆-9¹⁵⁄₁₆	6-6⅛	3⅝-3¾	5¹⁵⁄₁₆-6	13¼-13½	17¼-17¾	11-11½	10¾-11	6⁵⁄₁₆-6⁷⁄₁₆	11-11½
Six months.........	9⁹⁄₁₆-9¹¹⁄₁₆	9¹⁵⁄₁₆-10³⁄₁₆	9⅞-10⅛	6⁵⁄₁₆-6⁷⁄₁₆	3¹⁵⁄₁₆-4¹⁄₁₆	6⅛-6¼	13¾-14¼	17½-18	11¼-11¾	11-11½	6⅜-6⅝	11⅛-11⅝
One Year...........	9⅞-10	10³⁄₁₆-10⁷⁄₁₆	10-10¼	6½-6⅝	4⅛-4¼	6½-6⅝	14⅜-14⅝	18⅛-18⅝	11¼-11¾	11⅛-11⅝	6½-6⅝	11⅛-11⅝

Asian $ (closing rates in Singapore): Short-term 9½-9⅝ per cent; seven days 9½-9⅝ per cent; one month 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; three months 9¾-9⅞ per cent; six months 9⅞-10 per cent; one year 10⅛-10¼ per cent. Long-term Eurodollars two years 10⅞-11 per cent; three years 11¼-11½ per cent; four years 11¾-12 per cent; five years 12-12¼ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen: others two days' notice.

MONEY MARKETS

UK rates little changed

Interest rates were little changed in London yesterday in rather dull and featureless trading. Three-month interbank money was quoted at 9⅜-9½ per cent, unchanged from Wednesday, while three-month eligible bank bills were bid at 8 ²⁹⁄₃₂ per cent compared with 8⅞ per cent previously. Overnight interbank money opened at 9¼-9½ per cent and touched a high of 9½ per cent before slipping away to 8¼ per cent.

The Bank of England forecast a shortage of around £350m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £209m and Exchequer transactions a further £100m. In addition, banks brought forward balances £65m below target. On the other hand there was a fall in the note circulation of £5m.

The Bank gave assistance in the morning of £244m, comprising purchases of £2m of eligible bank bills in band 1 (up to 14 days) at 9⅛ per cent and £29m in band 2 (15-33 days) at 9 per cent. In band 3 (34-63 days) it bought £70m of eligible bank bills at 8⅞ per cent and in band 4 (64-91 days) £413m at 8⅝ per cent.

Assistance in the afternoon totalled £89m and comprised purchases of £22m of eligible bank bills in band 3 at 8⅞ per cent and in band 4 £9m of Treasury bills and £58m of eligible bank bills all at 8⅞ per cent.

In Frankfurt call money was quoted at 5.50-5.55 per cent down from 5.6 per cent. Earlier in the week banks had been actively seeking funds to meet reserve requirements for the month. This early demand had been prompted by fears that the Bundesbank would increase its interest rates in order to protect the D-mark against the dollar. The latter has shown recent signs of stabilising however and at yesterday's meeting of the Bundesbank central council, key lending rates and credit policies were left unchanged. Funds drawn through the Lombard facility totalled around DM 6bn on Wednesday, little changed from Tuesday's figure of DM 5.5bn.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 19 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8½-9½	9-9⅛	9¼	8½-9⅛	—	—	—	—	—
2 days notice...	—	—	9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice ...	—	9⅛-9⅜	9⅛	9⅜	9-9⅛	—	—	—	—	—
One month.......	9⁵⁄₁₆-9³⁄₁₆	9⁷⁄₁₆-9⅜	9¼	9⅜	9-9⅛	9-9⅛	8⅞	9⅛	9	9⅜
Two months	9⅜-9⁵⁄₁₆	9⁷⁄₁₆-9⁵⁄₁₆	9¼	9½	9-9⅛	8⅞	8⅞	8²⁹⁄₃₂-8⅞	8⅞	9⅜
Three months ...	9⅜-9⁵⁄₁₆	9⅜-9½	9⅜-9⁷⁄₁₆	9½-9⅝	9-9⅛	8⅞	8⅞-8²⁵⁄₃₂	8¾	8⅞	9⅜
Six months	9½-9⁹⁄₁₆	9⁹⁄₁₆-9¹¹⁄₁₆	9½	—	—	—	—	9-9⅛	9	9⅞
Nine months	9⅝-9¹¹⁄₁₆	9¾-9⅞	9¾	—	—	—	—	—	—	—
One year.	9¹¹⁄₁₆-9⅝	9⅞-10⅛	9¾	—	—	—	—	—	—	—

MONEY RATES

Jan. 19	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	12	1-2	5⅝-5¾	5.90625	17½-17⅞	7.45	11½-12⅛
One month	5.95-6.05	12⅛-12¼	3¼-3⅜	5¾-5⅞	6.15625	17½-17¾	10⅜-10½	12-12¼
Two months	5.95-6.05	12⁵⁄₁₆-12⁷⁄₁₆	—	—	—	—	—	12-12¼
Three months	6.05-6.20	12⁷⁄₁₆-12⁹⁄₁₆	3⁷⁄₁₆-3⁹⁄₁₆	6-6⅛	6.28125	17¾-18⅛	10¾-11	12-12¼
Six months	6.25-6.40	12⅝-12⅞	—	6⅛-6⅜	—	—	11-11¼	12¼-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month......	9¾-9½	—	9⅛	9.45-9.55	8½-8¾	9-9¼
Two months.....	9¾-9½	—	9¼	9.50-9.65	8⅝-8⅞	9¼-9⅜
Three months...	9¾-9½	—	9⅜	9.55-9.65	8⅝-8⅞	9⅜-9⅝
Six months	9½-9¾	—	9⅝	9.7-9.8	9-9¼	9⅝-9⅞
Nine months.....	9⅞-9⅝	—	9⅞	9.9-10.1	—	—
One year........	9⅞-9⅝	—	10	10.09-10.20	9⅜-9⅝	9⅞-10⅛
Two years.......	—	10⅜	—	—	—	—
Three years.....	—	10½	—	—	—	—
Four years......	—	10¾	—	—	—	—
Five years......	—	10⅞	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Fixed Houses Base Rates (published by the Finance Houses Association). 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury bills: Average tender rate of discount 8.823 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9½ per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½
Fed funds	9⅝
Fed funds at intervention	—

Treasury Bills

One month	8.70
Two month	8.70
Three month	8.90
Six month	8.95
One year	9.02

Treasury Bonds

Two year	100½
Three year	100⅛
Four year	100⁴⁄₃₂
Five year	100⅛
Seven year	101⅛
10 year	100⁴⁄₃₂
30 year	102⅝

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. January 19)

3 months U.S. dollars	
bid 9 3/4	offer 97/8

6 months U.S. dollars	
bid 9 15/16	offer 10 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Little change

Trading was quiet on the London International Financial Futures Exchange yesterday. Prices of interest rate contracts showed little change overall, after opening weak on disappointment at the close to U.S. credit markets on Wednesday. The high Federal funds rate of over 10 per cent was regarded as a major influence stopping any hoped for rally in New York and Chicago. Wednesday was make-up day for the banks, however, and in early trading yesterday the Fed funds rate eased back to 9⅞ per cent.

Three-month Eurodollars for March delivery, opened at 90.11, near the day's low of 90.10, and after trading within a narrow range closed unchanged at 90.14, only slightly below the highest level touched of 90.15.

Financial markets were generally quiet, ahead of today's publication of U.S. fourth quarter figures on Gross National Product. December's flash estimate of fourth quarter GNP pointed to a rise of only 4½ per cent, compared with market expectations in the region of 6 per cent, but current predictions suggest a figure nearer 4 per cent, and this is contributing to the recent decline of the dollar, and a more confident mood in credit markets as inflationary fears recede.

March gilts began trading at 109-02, the low of the day, but rose to a peak of 109-17 on good demand following the successful issue of Treasury 10 per cent Convertible 1990 stock. The March contract closed little changed, however, after late selling took the price back to 109-06, compared with 109-05 previously.

There was little volume in three-month sterling deposits, reflecting the lack of movement in London money market interest rates.

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-13	71-13	71-05	71-09
June	70-27	70-27	70-19	70-22
Sept	70-08	70-08	70-02	70-04
Dec	69-24	69-24	69-13	69-20
March	69-07	69-07	69-03	69-05
June	68-25	68-25	68-23	68-24
Sept	68-15	68-15	68-15	68-12
Dec	68-01	68-01	68-01	68-01
March	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.01	91.01	90.96	90.99
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.14	90.15	90.10	90.14
June	89.81	89.82	89.76	[illegible]
Sept	89.52	89.52	89.46	[illegible]
Dec	89.23	89.23	89.23	[illegible]
March	89.04	—	—	[illegible]

Volume 2,097 (2,774)
Previous day's open int [illegible]

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

Volume 966 (681)
Previous day's open int [illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-06	109-17	109-02	109-05
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

Volume 2,306 (2,633)
Previous day's open int [illegible]
Basis quote (clean cash price of 13¼% Treasury 2000-03 less equivalent price of near futures contract) [illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4200	1.4225	1.4120	[illegible]
June	1.4223	—	—	[illegible]
Sept	1.4255	—	—	[illegible]

Volume 340 (410)
Previous day's open int [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Volume 112 (116)
Previous day's open int [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Volume 15 (42)
Previous day's open int [illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Volume 21 (21)
Previous day's open int [illegible]

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday January 18 1984. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of January 18 at 11.00 am
3 months: 9¾%. 6 months: 10%.

SDR=US$1.03474
Libor as of January 18 at 11.00 am
3 months: 9¾%. 6 months: 10.

n.a. Not available. (m) Market rate. * U.S. dollar per National Currency unit. [illegible] For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

Denmark launches $500m FRN

By Mary Ann Sieghart in London

DENMARK's new $500m floating rate note provided the excitement of the day in the Eurodollar bond market yesterday. The mandate for the deal was hotly contested by various investment houses, but Salomon Brothers finally won the lead management with an issue on very tight terms.

Denmark stipulated that it wanted the bond to have a long maturity and Salomon has obliged with a 20-year life and the sweetener of a put option for investors after 15 years. The bond pays 3/16 point over the six-month London interbank offered rate (Libor) at par.

Front-end fees are ⅝ per cent, of which 0.07 per cent goes to a consortium of Danish banks. After the lead-manager's fee is taken away, co-managers are left with a commission of 0.53 per cent. The all-in cost to Denmark over the 15 years to the put option is 0.23 per cent over Libor on a straight-line basis and 0.27 per cent using a compounded method.

As is usually the case after a competitive bid, the final terms seem to be rather aggressive. Nevertheless, the price held up reasonably well at a discount of 0.55 per cent. At this level, co-managers more or less break even.

Salomon itself is underwriting more than half the issue and is thought to have bought back a sizeable amount in the market yesterday. It is known to have considerable placing power for floating rate paper in the U.S. and may well be holding some of the issue in the expectation of selling it there once the statutory 90 days are up.

Two new issues came out in Germany. Audi, the German car maker, is raising DM 150m through a 10-year issue paying a coupon of 7¾ per cent at par. Commerzbank is leading the deal, which traded at a discount of just ¾ per cent, well within the 1½ points selling concession.

Fuji Bank's DM 100m issue was launched a day early through Westdeutsche Landesbank. It has a 7¾ per cent coupon at par and an eight-year life. This bond, too, was well received, trading at a ¾ per cent discount.

Swiss and German secondary markets closed unchanged to slightly lower yesterday in fairly quiet turnover.

BHF Bank bond average		
Jan 19		Previous
98.428		98.332
High	1983/84	Low
102.017		97.699

Japan gives LDC loan incentive

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

JAPAN is to give its banks a greater incentive to participate in rescues for debt-ridden less developed countries (LDCs) by granting new tax concessions.

According to an announcement from the Federation of Banker's Associations reported from Tokyo yesterday, Japanese banks will be allowed to make a tax-free provision for rescheduled loans and any new money they lend to problem countries after April 1.

The maximum tax-free provision will be 1 per cent of a bank's exposure to any country.

Provisions are reserves that banks take out of their profits to build up a cushion against loan losses. Whether or not they count as a legitimate business expense is a matter of great controversy in the banking and tax world.

The amount of provisions allowable against tax varies greatly from country to country, and can affect the ability of banks to compete internationally.

Although the Japanese move is unusual and generous, the Japanese tax line on provisions has generally been more severe than in other countries. However, it amounts to a political move to encourage Japanese banks to keep lending to LDCs at a time when new bank loans to countries like Brazil are essential to their survival.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 19.

* No information available-previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. C. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Eulabank hit by rise in provisions

By Peter Montagnon in London

GROUP pre-tax profits at Euro-Latinamerican Bank (Eulabank) fell 13.6 per cent to £7.2m ($10.06m) in the year to September 30 1983, mainly because of an increase in provisions for loan losses, the bank announced yesterday.

Eulabank, a London-based consortium bank which specialises in lending to Latin America, described its provisions policy as "conservative and prudent." Almost all the bank's net profits of £4.52m have been added to reserves, raising shareholders' funds to £33.4m from £28.8m.

Total assets fell slightly to £689m from £692m, mainly because of a sharp fall in short-term money market deposits with other banks. These slipped to £63.7m from £103.8m.

WEEKLY U.S. BOND YIELDS (%)

	Jan 18	Jan 11	1983–1984 High	1983–1984 Low
Composite Corp. AA	12.27	12.39	12.83	10.78
Government:				
Long-term	11.51	11.66	11.93	10.18
Intermediate	11.33	11.44	12.03	9.83
Short-term	10.70	10.87	11.26	9.21
Municipal	N/A	9.63	10.01	8.72
Industrials AAA	11.84	11.94	12.36	10.51
Industrials AA	12.09	12.21	12.62	10.72
Utilities AA	12.44	12.58	13.05	10.95
Preferred Stocks	11.26	11.47	11.47	10.59

Source: Standard & Poor's

INTERNATIONAL PROPERTY

COMMERCIAL & INDUSTRIAL PROPERTY ADVERTISING ALSO APPEARS TODAY ON PAGES 16, 17, 29.